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Notice of Seventh Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Seventh (7th) Annual General Meeting of the Company will be held at Conference Room, Level 3, Eastin Hotel, 13, Jalan 16/11, Pusat Dagang Seksyen 16, 46350 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Friday, July 27, 2007 at 10.00 a.m., to transact the following business:-

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended January 31, 2007 together with the Directors' and Auditors' Reports thereon. **Ordinary Resolution 1**
2. To declare a final tax-exempt dividend of 6.0% for the financial year ended January 31, 2007. **Ordinary Resolution 2**
3. To re-elect the following Directors, who are retiring pursuant to Article 83 of the Company's Articles of Association who being eligible offer themselves for re-election:-

Under Article 83
 - (i) Lau Kim Lian **Ordinary Resolution 3**
 - (ii) Seow Nyoke Yoong **Ordinary Resolution 4**
4. To re-appoint Messrs Deloitte KassimChan as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 5**

As Special Business

To consider and if thought fit, to pass the following resolutions, with or without modifications, as Ordinary and Special Resolutions of the Company:-

5. **Authority to Issue Shares**

"THAT subject always to the Companies Act, 1965 and approvals of the relevant governmental/regulatory bodies, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965 to issue shares in the Company from time to time at such price, upon such terms and to such person/persons or party/parties whomsoever the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being, and that such authority shall continue in force until the conclusion of the next Annual General Meeting." **Ordinary Resolution 6**
6. **Proposed Amendments to Articles of Association**

"THAT the Proposed Amendments to the Articles of Association of the Company as set out in Appendix 1 be and is hereby approved and adopted. **Special Resolution**

THAT the Directors and the Secretary of the Company be and are hereby authorised to carry out all the necessary formalities in effecting the Proposed Amendments to the Articles of Association as set out in Appendix 1.

THAT the Directors of the Company, be and are hereby authorised to assent to any conditions, modification, variation and/or amendments as may be required by Bursa Malaysia Securities Berhad."

Notice of Seventh Annual General Meeting (Cont'd)

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN THAT a final tax exempt dividend of 6.0% for the financial year ended January 31, 2007, if approved, will be paid on August 29, 2007. The entitlement date for the dividend payment is August 17, 2007.

A Depositor shall qualify for entitlement to the dividend only in respect of:-

- (a) shares transferred into the depositor's securities account before 4.00 p.m. on August 17, 2007 in respect of transfer; and
- (b) shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

By Order of the Board

KUAN HUI FANG (MIA 16876)
THAM WAI YING (MAICSA 7016123)
Secretaries

Date: July 5, 2007
Petaling Jaya

NOTES :-

- (i) *A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or attorney or other duly authorised representative to attend and vote in his stead. A proxy may but need not be a member of the Company. A member may appoint any person to be his proxy and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. A member may appoint up to two (2) proxies and vote at the same meetings and that the appointment shall specify the proportions of his shareholdings to be represented by each proxy.*
- (ii) *The instrument appointing a proxy shall be in writing and in the case of an individual shall be signed by the appointor or by his attorney, and in the case of a corporation shall be either under its common seal or signed by its attorney or an officer on behalf of the corporation.*
- (iii) *The instrument appointing a proxy and the power of attorney or other attorney, if any, under which it is signed or a notarised copy of that power or authority shall be deposited at the registered office of the Company at Level 14, Uptown 1, No. 1 Jalan SS21/58, Damansara Uptown, 47400 Petaling Jaya, Selangor Darul Ehsan, not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.*
- (iv) *Explanatory notes on special business:-*

Ordinary Resolution 6

The resolution 6, if passed, will renew the powers given to the Directors at the last Annual General Meeting authority to issue up to ten percentum (10%) of the issued share capital of the Company for the time being for such purposes as the Directors consider would be in the best interests of the Company. The authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.

Special Resolution

The Proposed Special Resolution, if passed, will render the Articles of Association of the Company to be consistent with all the amendments set out in Chapter 7 and relevant provisions of other Chapters of the Listing Requirements of Bursa Malaysia Securities Berhad and any prevailing laws, rules, regulations, order, guidelines or requirements of the relevant authorities.

For further information on the Proposed Amendments to the Articles of Association of the Company, please refer to the Circular to Shareholders dated July 5, 2007 enclosed together with the Company's Annual Report 2007. The Appendix 1 in the Proposed Special Resolution means the Appendix 1 of the Circular to Shareholders dated July 5, 2007.

Statement Accompanying Notice of Annual General Meeting

Pursuant to Paragraph 8.28(2) of the Listing Requirements Of Bursa Malaysia Securities Berhad

The Name of Directors who are standing for re-election:-

Pursuant to Article 83 of the Company's Articles of Association:-

- (i) Lau Kim Lian
- (ii) Seow Nyoke Yoong

(The details of the abovementioned Directors seeking for re-election are set out in their respective profiles which appear on pages 6 and 7 of the Annual Report)



Corporate Information



BOARD OF DIRECTORS

Tan Sri Abu Talib bin Othman
(Non-Executive Chairman)

Chen Yat Lee
(Managing Director)

Lau Kim Lian
(Executive Director)

Chen Wai Ling
(Executive Director)

Seow Nyoke Yoong
(Independent Non-Executive Director)

Abd Malik bin A. Rahman
(Independent Non-Executive Director)

AUDIT COMMITTEE

Abd Malik bin A. Rahman
(Independent Non-Executive Director/ Chairman)

Seow Nyoke Yoong
(Independent Non-Executive Director/ Member)

Chen Yat Lee
(Managing Director/ Member)

NOMINATION COMMITTEE

Tan Sri Abu Talib bin Othman (Chairman)
Abd Malik bin A. Rahman
Seow Nyoke Yoong

REMUNERATION COMMITTEE

Tan Sri Abu Talib bin Othman (Chairman)
Lau Kim Lian
Abd Malik bin A. Rahman

AUDITORS

Deloitte KassimChan
Chartered Accountants
Level 19, Uptown 1
1, Jalan SS21/58
Damansara Uptown
47400 Petaling Jaya
Selangor Darul Ehsan
Tel. No. : 603-7723 6500
Fax. No. : 603-7726 3986

COMPANY SECRETARIES

Kuan Hui Fang (MIA 16876)
Tham Wai Ying (MAICSA 7016123)

REGISTERED OFFICE

Level 14, Uptown 1
1, Jalan SS 21/58
Damansara Uptown
47400 Petaling Jaya
Selangor Darul Ehsan
Tel. No. : 603-7725 2888
Fax. No. : 603-7725 7791/92/93
Email : corpserve@pfa.com.my

CORPORATE BUSINESS OFFICE

12, Jalan Teluk Gadung 27/93
Section 27
40000 Shah Alam
Selangor Darul Ehsan
Tel. No. : 603-5191 3888
Fax. No. : 603-5191 2888
Email : enquiry@jayaplastik.com

REGISTRAR

PFA Registration Services Sdn Bhd (19234-W)
Level 13, Uptown 1
1, Jalan SS 21/58
Damansara Uptown
47400 Petaling Jaya
Selangor Darul Ehsan
Tel. No. : 603-7725 4888
Fax. No. : 603-7722 2311

PRINCIPAL BANKERS

CIMB Bank Berhad
Citibank Berhad
AmBank Berhad
United Overseas Bank (Malaysia) Bhd
RHB Bank Berhad

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Second Board
Sector : Industrial
Stock Name : CYL
Stock Code : 7157

Profile of the Board of Directors

Tan Sri Abu Talib bin Othman, aged 69, Malaysian, was appointed as Non-Executive Chairman of CYL Corporation Berhad, ("CYL") on 16 September 2002. He is also the Chairman of the Nomination Committee and Remuneration Committee.

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 Unit Trust Management Berhad, Alliance Capital Asset Management Sdn Bhd, IGB Corporation Berhad, British American Tobacco (Malaysia) Berhad, MUI Continental Insurance Berhad and Sime Darby Berhad. In 2002, he was also appointed as Chairman of Suruhanjaya Hak Asasi Manusia.

Chen Yat Lee, aged 66, Malaysian, was appointed as Managing Director of CYL on 6 June 2000. He has more than 41 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 Sddeutschen Kunststoff-Zentrum, Wurzburg in Germany in 1965.

As the founder and Managing Director of Perusahaan Jaya Plastik (M) Sdn. Bhd., ("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 240,000 sq. ft. of built-up factory and warehousing facilities fully owned by PJP in Shah Alam with a total workforce of 500 employees (including contract workers).

Lau Kim Lian, aged 56, Malaysian, was appointed as Executive Director of CYL on 6 June 2000. She has about 16 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 and the subsidiary company, PJP 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.

Chen Wai Ling, aged 33, Malaysian, was appointed as 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 as the Millennium Bug Team Leader in December 1998. 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 46, Malaysian, was appointed as Independent 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 Messrs. Soo Thien Ming & Nashrah.



Profile of the Board of Directors (Cont'd)

Abd Malik bin A. Rahman, aged 59, Malaysian, was appointed as Independent Non-Executive Director of CYL on 16 September 2002. Encik Malik, a Chartered Accountant member of the Malaysian Institute of Accountants (MIA) is also a Fellow of the Association of Chartered Certified Accountants (UK) and a member of the Malaysian Institute of Certified Public Accountants. In addition, Encik Malik is a member of both the Malaysian Institute of Management and Chartered Management Institute (U.K.). In 2002, Encik Malik qualified as a Certified Financial Planner (USA).

Encik Malik has extensive working experience in areas of Finance and Corporate Services from his previous employment with Peat Marwick Mitchell, Esso Group of Companies, Colgate Palmolive (M) Sdn Bhd, Amway (Malaysia) Sdn Bhd and Fima Metal Box Berhad. Before his retirement, Encik Malik was the General Manager, Corporate Services of Kelang Multi Terminal Sdn Bhd (Westports).

Encik Malik is also a Director of several private limited companies.

ADDITIONAL INFORMATION ON THE BOARD OF DIRECTORS

Details of Interests in Securities

The details of the interests of Directors are set out on page 55 of this Annual Report.

Family Relationship

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

Saved as disclosed above, none of the Directors have any relationship with any other Director and/or other major shareholder of the Company.

Conflict of Interests

All the Directors do not have any conflict of interest with the Company.

Convictions for Offences

None of the Directors has any convictions for offences within the past 10 years other than traffic offences.

Chairman's Statement

On behalf of the Board of Directors, I am pleased to present the Annual Report and Financial Statements of the Group and the Company for the financial year ended 31 January 2007.

BUSINESS AND FINANCIAL REVIEW

For the year under review, the Group achieved a higher revenue of RM 77.0 million, an increase of 13.2% as compared with RM 68.0 million in 2006. The net profit of the Group increased by 37.5% from RM 4.0 million to RM 5.5 million for the financial year ended 31 January 2007.

DIVIDENDS

The Board of Directors has recommended a final tax exempt dividend of 3.0 sen per share (6.0% at par value of RM 0.50 per share [2006: 4.8%]) for the financial year ended 31 January 2007. This would be an increase over last year by 25%.

PROSPECTS

In view of the current competitive business environment, the Group continues to expand its core business to further improve its competitiveness and strengthen its position as one of the market leaders in the industry.

Exploration into new processes and automation is currently being undertaken in an effort to further increase its capability as a one-stop packaging centre.

The Group has recently set up its new mould fabrication facility equipped with Computer Numerical Controlled (CNC) precision equipments. This together with its product designing facility utilising the latest Computer Aided Design and Computer Aided Manufacturing (CAD/CAM) software provides the Group with a competitive advantage in technology and product innovation.

Given the continuous evolution in the use of plastics as an alternative material in the consumer packaging industry, the Group is confident that barring unforeseen circumstances, its business prospects will remain dynamic and positive in the forthcoming year.

ACKNOWLEDGEMENT

Amidst various challenges to the industry, the Group has remained resilient. This is attributable mainly to the commitment shown by the Board of Directors, the management team and staff. I would like to thank you all for your dedication and contribution.

To our valued customers, investors and business partners, on behalf of my fellow Directors, I wish to extend my sincerest appreciation for your continued trust and confidence in us.

Last but not least, to our shareholders, we thank you for your support and for your continuous faith in us.

Tan Sri Abu Talib Bin Othman
Chairman

Statement of Corporate Governance



The Board of Directors of **CYL Corporation Berhad** (“the Board”) acknowledges and endorses the importance of enhancement of corporate governance requirements outlined in the Malaysian Code on Corporate Governance (“the Code”). It is the Board’s responsibility and commitment to ensure that high standards of corporate governance are being practised in the Group (Company and its subsidiary company), thereby safeguarding the assets of the Group and its shareholders’ investments. The Board will endeavour to fully comply with all the principles in Part 1 of the Code and to adopt the Best Practices as recommended in Part 2 of the Code.

A. THE BOARD OF DIRECTORS

CYL Corporation Berhad is led and controlled by an effective board.

Principal Responsibilities of the Board

The Board takes full responsibility for the overall direction and performance of the Group. To fulfil this, the Board has assumed the following responsibilities:-

- Reviewing and adopting a strategic plan for the Group;
- Overseeing the conduct of the Group’s business to evaluate whether the business is being properly managed;
- Identifying principal risks and ensure the implementation of appropriate systems to manage those risks, if any;
- Succession planning, including appointing, training, fixing the compensation of and where appropriate, replacing senior management;
- Developing and implementing a shareholder communications policy for the Company; and
- Reviewing the adequacy and the integrity of the Group’s internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

Composition and Balance

The Board consists of three (3) Executive Directors and three (3) Non-Executive Directors, two (2) of whom are independent. The Directors, with their different background and specialisation, collectively bring with them a wide range of experience and expertise to enable the Board to lead and control the Group effectively. A brief description on the background of the Directors is presented on Pages 6 and 7 of this Annual Report.

The Non-Executive Directors are persons of high calibre, credibility and have the skill and experience to bring an independent judgement on issues of strategy, performance and resources including key appointments and standards of conduct. The Independent Non-Executive Directors constitute one-third of the membership of the Board.

There is a clear division of responsibilities between the Chairman and Managing Director of the Company to ensure a balance of power and authority. The Chairman’s responsibility is to ensure the effectiveness of the Board while the Managing Director is responsible for overall operations and effective implementation of the Board’s decisions and policies.

Board Meetings and Supply of Information

The Board held five (5) meetings during the financial year to discuss the performance of the Group. The agenda of each Board meeting is circulated to all the Directors in advance for their perusal and understanding. The attendance of the Board members are as follows:-

Name of Directors	No. of Meetings Attended
Tan Sri Abu Talib bin Othman	5/5
Chen Yat Lee	5/5
Lau Kim Lian	5/5
Chen Wai Ling	5/5
Seow Nyoke Yoong	5/5
Abd Malik bin A.Rahman	5/5

Every Director has also unhindered access to the advice and services of the Company Secretaries. The Board believes that the Company Secretaries are capable of carrying out their duties to ensure the effective functioning of the Board. The Directors may seek independent professional advice where deemed necessary at the Company's expense.

Appointments to the Board

The Board believes that the current composition of the Board brings the required mix of skills and core competencies required for the Board to discharge its duties effectively. The Board appoints its members through a formal and transparent selection process which is consistent with the Articles of Association of the Company. This process has been reviewed, approved and adopted by the Board.

The appointment of any additional Director is made when necessary. In the process of nominating and appointment of new Directors, due consideration is given to industry's experience and mixed expertise for an effective Board.

The Company Secretaries will ensure that all appointments are properly made, and that legal and regulatory requirements are complied with.

Re-Election of Directors

In accordance with the Company's Articles of Association, all Directors who are appointed by the Board are subject to election by shareholders at the coming Annual General Meeting after their appointment. The Articles of Association also provide that one-third of the Directors for the time being shall, retire from office and provided always that all Directors shall retire from office once at least in every three (3) years. A retiring Director shall retain office until the close of the meeting at which he retires and shall be eligible for re-election. This provides an opportunity for shareholders to renew their mandates. The election of each Director is voted on separately.

Directors' Training

All Directors have attended the training programmes for the financial year ended 31 January 2007. The Directors will continue to undergo relevant training programs to enhance their skills and knowledge to effectively discharge their duties and obligations.



BOARD COMMITTEES

Audit Committee

The Audit Committee reviews issues of accounting policy and presentation of external financial reporting and ensures an objective and appropriate relationship is maintained with the external auditors. The Audit Committee works closely with both the management and external auditors.

The composition and terms of reference of the Audit Committee are set out in the Audit Committee Report set out on pages 15 to 17 in the Annual Report.

Nomination Committee

The Board established the Nomination Committee on December 24, 2003. The Committee will assist the Board of Directors in nominating new nominees to the Board. The Committee shall also assess the Directors of the Company on an on-going basis. The Committee comprises exclusively Non-Executive Directors, a majority of whom is independent. The composition of the Nomination Committee is set out on page 5 of this report.

The Committee shall meet at least once a year. The attendance of the Committee members is as follows:-

Name of Directors	No. of Meetings Attended
Tan Sri Abu Talib bin Othman	1/1
Seow Nyoke Yoong	1/1
Abd Malik bin A.Rahman	1/1

Remuneration Committee

The Remuneration Committee was formed on December 24, 2003. The Committee is to assist the Board of Directors in assessing the remuneration packages of the Directors of the Company. The composition of the Remuneration Committee is set out on page 5 of this report.

The Committee shall meet at least once a year. The attendance of the Committee members is as follows:-

Name of Directors	No. of Meetings Attended
Tan Sri Abu Talib bin Othman	2/2
Lau Kim Lian	2/2
Abd Malik bin A.Rahman	2/2

B. DIRECTORS' REMUNERATION

The Malaysian Code on Corporate Governance states that remuneration for Directors should be determined so as to ensure that the Company attracts and retains the Directors to run the Company efficiently. The remuneration for Chairman, Managing Director and Executive Directors are structured so as to link reward to corporate and individual performance.

In the case of Non-Executive Independent Directors, we believe that the level of remuneration should reflect the level of experience and responsibilities undertaken by the respective directors.

Statement of Corporate Governance (Cont'd)

The details of aggregate remuneration of the Directors for the year ended January 31, 2007 are disclosed in Note 7 to the financial statements set out on page 36 of this Annual Report.

The number of Directors of the Group whose total remuneration fall within the respective bands are analysed as follows:-

	Number of Directors	
	Executive	Non-executive
Below RM50,000	–	2
RM 50,001 – RM100,000	–	–
RM100,001 – RM150,000	1	1
RM300,001 – RM350,000	1	–
RM600,001 – RM650,000	1	–

C. SHAREHOLDERS

The Board acknowledges the need for the shareholders to be informed on all material business matters affecting the Group. In addition to the various announcements made, the timely release of financial results on a quarterly basis provides shareholders and the investing public with an overview of the Group's performance and operations. Shareholders are invited to access the Bursa Malaysia's website at www.bursamalaysia.com to obtain the latest information of the Group.

In addition, the Board encourages full participation by shareholders at every Annual General Meeting and Extraordinary General Meeting of the Company and opportunity is given to the shareholders to make relevant enquiries and seek clarification on the Group's business activities and financial performance.

D. ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board aims to provide and present a balanced and meaningful assessment of the Group's financial performance and prospect at the end of the financial year, primarily through the annual financial statements and quarterly announcement of results to the shareholders as well as the Chairman's statement in the Annual Report. The Board is assisted by the Audit Committee to oversee the Group's financial reporting processes and the quality of its financial reporting.

In preparing the financial statements, the Directors have selected and applied consistently suitable accounting policies and made reasonable and prudent judgements and estimates. The Directors also have a general responsibility for taking such steps to safeguard the assets of the Group and to prevent and detect fraud and irregularities.

Internal Control

The Board acknowledges its overall responsibility for maintaining a system of internal controls, which provides reasonable assurance of effective and efficient operations and compliance with laws and regulations as well as with internal financial administration procedures and guidelines.

The Group's Statement of Internal Control is set out on pages 18 and 19 of this Annual Report.

Statement of Corporate Governance (Cont'd)

Relationship with Auditors

The Company has established and maintained an appropriate and transparent relationship with the Company's external auditors, Messrs. Deloitte KassimChan in seeking professional advice and ensuring compliance with the accounting standards in Malaysia.

Compliance Statement

The Company has complied throughout the financial year with all the Best Practices of Corporate Governance set out in Part 2 of the Code. Given the current composition of the Board which reflects a strong independent element and the separation of the roles amongst the Executive Directors, the Board does not consider it necessary at this juncture to nominate a Senior Independent Non-Executive Director.

Other Compliance Information

Pursuant to Paragraph 9.25(1) of the Listing Requirements Of Bursa Malaysia Securities Berhad

MATERIAL CONTRACTS

There were no material contracts of the Company and its subsidiary company involving Directors and/or substantial shareholders entered into since the end of the financial year.

CONTRACT RELATING TO LOANS

There were no contracts relating to loans entered into by the Company and its subsidiary company involving Directors and/or substantial shareholders in respect of the above said item since the end of the financial year.

SHARE BUYBACKS

There were no share buybacks by the Company.

OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

No options, warrants or convertible securities were issued by the Company during the financial year.

IMPOSITION OF SANCTIONS/PENALTIES

There were no public sanctions and/or penalties imposed on the Company and its subsidiary company, Directors or management during the financial year.

VARIATION IN RESULTS

There is no variance between the results for the financial year and the unaudited results previously announced by the Company.

PROFIT GUARANTEES

There were no profit guarantees given by the Company.

AMERICAN DEPOSITORY RECEIPT (ADR) OR GLOBAL DEPOSITORY RECEIPT (GDR) PROGRAMME

The Company does not sponsor any ADR or GDR programme.

REVALUATION OF LANDED PROPERTIES

The Group's revaluation policy relating to landed properties is stated in Note 3 to the Financial Statements on page 33.

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The Company has not implemented any ESOS.

NON AUDIT FEES

Non Audit fees amounting to RM 3,000 was paid to the External Auditors for the financial year ended 31 January 2007.

UTILISATION OF PROCEEDS

The Company did not raise funds through any corporate proposals during the financial year.

Audit Committee Report

MEMBERSHIP

The present Audit Committee (the "Committee") comprises:-

Name	Designation	Directorship
Abd Malik bin A. Rahman*	Chairman	Independent Non-Executive Director
Seow Nyoke Yoong	Member	Independent Non-Executive Director
Chen Yat Lee	Member	Managing Director

* Member of the Malaysian Institute of Accountants (MIA)

TERMS OF REFERENCE

Objectives

The primary function of the Committee is to assist the Board of Directors in fulfilling the following objectives on the Group's activities:-

- Assess the Group's processes relating to its risk and control environment;
- Oversee financial reporting; and
- Evaluate the internal control and external audit processes.

Composition

The Board shall elect and appoint Committee members from amongst their number, comprising no fewer than three (3) Directors, the majority of whom shall be independent directors (excluding alternate directors) of the Company.

The Board shall at all times ensure that:-

- at least one (1) member of the Committee shall be a member of the Malaysian Institute of Accountants (MIA);
- if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and:-
 - he must have passed the examinations specified in Part 1 of the 1st Schedule of the Accountants Act, 1967; or
 - he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967;
- fulfils such other requirements as prescribed by the Bursa Malaysia Securities Berhad.

In the event of any vacancy in the Committee resulting in the non-compliance of the above, the Company must fill the vacancy within 3 months.

The Board of Directors must review the term of office and performance of the Committee and each of its members at least once every 3 years to determine whether such Committee and members have carried out their duties in accordance with their terms of reference.

The Chairman shall be elected by the Committee from among their members who shall be an independent director.

Function

The functions of the Committee are as follows:-

- (a) review the following and report the same to the Board of Directors:-
 - (i) with the external auditor, the audit plan, his evaluation of the system of internal controls, his audit report;
 - (ii) the assistance given by the employees of the Company to the external auditor;
 - (iii) the adequacy of the scope, functions and resources of the internal audit functions and that it has the necessary authority to carry out its work;
 - (iv) the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
 - (v) the quarterly results and year end financial statements, in particular changes to accounting policy and standards and or significant or unusual events, prior to the approval by the Board of Directors;
 - (vi) any related party transaction and conflict of interest situation that may arise within the Company or Group;
 - (vii) any letter of resignation from the external auditors;
 - (viii) whether there is reason (supported by grounds) to believe that the external auditor is not suitable for re-appointment; and
- (b) recommend the nomination of a person or persons as external auditors; and
- (c) report promptly to the Bursa Malaysia Securities Berhad where the Committee is of the view that a matter reported by it to the Board of Directors has not been satisfactorily resolved resulting in a breach of the Listing Requirements.

Rights of the Committee

The Audit Committee shall, wherever necessary and reasonable for the Company to perform its duties, in accordance with procedures to be determined by the Board of Directors and at the cost of the Company:-

- (a) have authority to investigate any matter within its terms of reference;
- (b) have the resources which are required to perform its duties;
- (c) have full and unrestricted access to any information pertaining to the Company;
- (d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity (if any);
- (e) be able to obtain independent professional or other advice; and
- (f) be able to convene meetings with the external auditors, excluding the attendance of the executive members of the committee, whenever deemed necessary.

Meetings

The frequency of the meetings can vary depending on the scope of the audit activities. The Committee members shall at least attend meetings four (4) times during the financial year to review the quarterly results and year end financial statements. The Directors and employees or representative of external auditors may attend any particular audit committee meeting at the Committee's invitation, specific to the relevant matters.

Audit Committee Report (Cont'd)

During the financial year, a total of five (5) committee meetings were held and the attendance of the members is as follows:-

Name of Directors	No. of Meetings Attended
Abd Malik bin A.Rahman	5/5
Seow Nyoke Yoong	5/5
Chen Yat Lee	5/5

In addition, the Chairman may call a meeting of the Audit Committee if a request is made by any committee member, the Company's Managing Director or the external auditors. The Company Secretaries or other appropriate senior official shall act as secretary of the Audit Committee and shall be responsible for drawing up the agenda and circulating it, supported by explanatory documentation to committee members prior to each meeting.

The Company Secretaries shall also be responsible for keeping the minutes of meetings of the Audit Committee, and circulating them to committee members.

A quorum shall consist of a majority of independent directors and any decisions shall be by simple majority.

Internal Audit Functions

The Committee acknowledges the need to maintain a sound system of internal controls within the Group. The Committee has recommended the appointment of an independent professional services firm to assist the Committee in assuming the task of internal control review and risk assessment functions of the Group.

Information on the Group's internal audit functions is presented in the Statement on Internal Control set out on page 18 on this report.

Summary of Activities During the Financial Year

The Committee carried out its duties in accordance with its established terms of reference. The main activities undertaken by the Committee were as follows:-

- Reviewed with external auditors their scope of work and audit plan for the financial year;
- Reviewed with external auditors the results of the audit and the audit report and recommend the same for Board of Directors' approval;
- Reviewed the annual report and the audited financial statements of the Company prior to submission to the Board for their consideration and approval. The review was to ensure that the audited financial statements were drawn up in accordance with the provisions of the Companies Act 1965 and the applicable approved accounting standards in Malaysia;
- Reviewed the quarterly unaudited financial results and other pertinent announcements before recommending them for the Board's approval;
- Discussed the recommendation of declaration and payment of dividend by the management;
- Discussed and recommended the appointment of internal auditors for the Board of Directors' approval;
- Reviewed with Internal Auditors the overall scope of Internal Auditors' plan, the findings and recommendations from the audit work carried by the Internal Audit function;
- Reviewed the Group's compliance with the Listing Requirements of the Bursa Malaysia Securities Berhad, approved accounting standards of the Malaysian Accounting Standards Board and other relevant legal and regulatory requirements;
- Reviewed the related party transactions entered into by the Group; and
- Reviewed the extent of the Group's compliance with the provisions set out under the Code for the purpose of preparing the Statement of Corporate Governance to be included in the Annual Report.

Statement on Internal Control

INTRODUCTION

Pursuant to paragraph 15.27(b) of the Bursa Malaysia Listing Requirements, the Board of Directors of CYL Corporation Berhad (“the Company”) is pleased to provide the following statement on the state of internal control of the Company and its subsidiary (“the Group”) for the financial year ended January 31, 2007, which has been prepared in accordance with the Statement on Internal Control – Guidance for Directors of Public Listed Companies issued by the Institute of Internal Auditors Malaysia and adopted by Bursa Malaysia.

- **Internal Control**

The Board acknowledges its responsibility for maintaining a sound system of internal control, and for reviewing its adequacy and effectiveness. However, the Board recognises that reviewing of the Group’s systems of internal control is a concerted and continuing process, designed to manage rather than eliminate the risk of failure to achieve business objectives. The Group’s system of internal controls comprises the following key elements.

- **Control Procedures**

The Group is progressively developing and enhancing its group operating policies and procedures to address the changing environment of its business operations and practices. The Group has developed procedures and flow charts through collaboration with the independent professional services firm.

The Standard Operating Procedures Manual developed by the management set out the policies, procedures and practices to identify and mitigate risks, and to ensure that their reporting and compliance objectives are met. The Manuals are adopted by all companies in the Group to ensure that all personnel receive a clear message regarding their role in the internal control system.

- **Organisational structure and responsibility levels**

The Group has a defined organisational structure which stipulates the reporting functions of business units and employees. Delegation of authority is established which sets out the decisions that need to be taken and the appropriate authority levels of Management including matters that require Board’s approval.

- **Reporting and review**

The Group’s management teams carry out monthly monitoring and review of operational and financial results for all businesses within the Group, including monitoring and reporting thereon, of performance against management’s target and plans.

- **Information and Communication**

The Group’s management teams communicate regularly to monitor operational and financial performance as well as formulate action plans to address any areas of concern. Scheduled and ad-hoc meetings are held at operational and management levels to identify, discuss and resolve business and operational issues.



- **Internal audit**

The internal audit review on Group and Company's operations was carried out throughout the year by an independent professional services firm. The internal audit team undertakes internal audit review based on the approved audit plan that is developed taken into consideration the concerns of management and key risk areas. The Internal Audit Plan is reviewed and approved by the Audit Committee. The internal audit team reviews the adequacy and effectiveness of the internal control systems of the business units, and advises executive and operational management on areas for improvement and subsequently reviews the extent to which its recommendations have been implemented.

The internal audit reports are submitted to the Audit Committee and the audit issues are being discussed during the Audit Committee meetings. The Audit Committee has responsibility for the development and maintenance of the internal control framework and determining that all major issues reported have been satisfactorily resolved. Finally, the committee reports to the Board of Directors its activities, significant results, findings together with ideas and recommendations to improve the internal control systems.

CONCLUSION

The Group's system of internal controls is designed to provide reasonable but not absolute assurance against the material risks and losses. The system of internal controls is to enable the Group to achieve its corporate objectives within an acceptable risk profile and cannot be expected to eliminate all risks.

The Board is of the view that there are no significant weaknesses in the system of internal control of the Group for the financial year ended January 31, 2007. The Group continues to take the necessary measures to strengthen its internal controls.

Statement of Directors' Responsibilities

This statement is prepared as required by the Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are required by the Companies Act, 1965 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of the results and cash flows of the Group and of the Company for the financial year then ended.

The Directors consider that, in preparing the financial statements for the financial year ended January 31, 2007, the Group has used appropriate accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent. The Directors also consider that all applicable approved accounting standards have been followed. The Directors are responsible for ensuring that the Group and the Company keep accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and which enable them to ensure that the financial statements comply with the provisions of the Companies Act, 1965 and the applicable approved accounting standards in Malaysia.





Directors' Report

The Directors of **CYL CORPORATION BERHAD** have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended January 31, 2007.

PRINCIPAL ACTIVITIES

The Company is principally an investment holding company.

The subsidiary company is principally involved in the business of manufacturing and supplying of plastic packaging products.

There have been no significant changes in the nature of the principal activities of the Company and its subsidiary company during the financial year.

RESULTS OF OPERATIONS

The results of operations of the Group and of the Company for the financial year are as follows:-

	The Group RM	The Company RM
Profit before tax	6,014,055	3,001,470
Income tax expense	(520,100)	-
Net profit for the year	5,493,955	3,001,470

In the opinion of the Directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

A final tax-exempt dividend of 4.8%, amounting to RM2,400,000 in respect of the previous financial year and dealt with in the previous directors' report, was paid during the current financial year.

The Directors have proposed a final tax-exempt dividend of 6.0% per ordinary share of RM0.50 each, amounting to RM3,000,000 for the current financial year. This dividend payable in respect of all ordinary shares and is subject to approval by the shareholders at the forthcoming Annual General Meeting of the Company and has not been included as a liability in the Financial Statements.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the Financial Statements.

ISSUE OF SHARES AND DEBENTURES

The Company has not issued any new shares or debentures during the financial year.

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As of the end of the financial year, there were no unissued shares of the Company under options.

OTHER FINANCIAL INFORMATION

Before the income statements and the balance sheets of the Group and the Company were made out, the Directors took reasonable steps:-

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and have satisfied themselves that all known bad debts had been written off and that no allowance for doubtful debts is necessary; and
- (b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values.

At the date of this report, the Directors are not aware of any circumstances:-

- (a) which would render the amount of bad debts written off in the financial statements of the Company inadequate to any substantial extent or require the setting up of an allowance for doubtful debts; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen and render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:-

- (a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year and secures the liability of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet its obligations as and when they fall due.

In the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the Group and of the Company for the succeeding financial year.



DIRECTORS

The following Directors served on the Board of the Company since the date of the last report:-

Tan Sri Abu Talib bin Othman
Chen Yat Lee
Lau Kim Lian
Abd Malik bin A. Rahman
Seow Nyoke Yoong
Chen Wai Ling

In accordance with Article 83 of the Company's Articles of Association, Mdm. Lau Kim Lian and Mdm. Seow Nyoke Yoong retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

DIRECTORS' INTERESTS

The shareholdings in the Company of those who were Directors at the end of the financial year, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965, are as follows:-

	Number of ordinary shares of RM0.50 each			
	Balance at 1.2.2006	Bought	Sold	Balance at 31.1.2007
Registered in name of Directors				
Tan Sri Abu Talib bin Othman	16,406,258	-	-	16,406,258
Chen Yat Lee	34,761,800	40,000	-	34,801,800
Lau Kim Lian	22,793,000	-	-	22,793,000

By virtue of their shareholdings in the Company, the abovementioned Directors are deemed to have an interest in the shares of the subsidiary company to the extent that the Company has an interest.

None of the other Directors holding office at the end of the financial year hold shares or had beneficial interest in the shares of the Company or its subsidiary company during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors of the Company has received or become entitled to receive any benefit (other than those disclosed as Directors' remuneration in the Financial Statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the director has a substantial financial interest except for any benefit which may be deemed to have arisen by virtue of the transactions between the subsidiary company and a Director of the Company as disclosed in Note 17 to the Financial Statements.

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby Directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' Report (Cont'd)

AUDITORS

The auditors, Messrs. Deloitte KassimChan, have indicated their willingness to continue in office.

Signed on behalf of the Board
in accordance with a resolution of the directors,

CHEN YAT LEE

LAU KIM LIAN

Shah Alam,
May 28, 2007





Report of the Auditors
to the members of **CYL Corporation Berhad**
(Incorporated in Malaysia)

We have audited the accompanying balance sheets as of January 31, 2007 and the related statements of income, cash flows and changes in equity for the year then ended. These financial statements are the responsibility of the Company's directors. It is our responsibility to form an independent opinion, based on our audit, on these financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility towards any other person for the contents of this report.

We conducted our audit in accordance with approved standards on auditing in Malaysia. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:-

- (a) the abovementioned financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable Malaysian Accounting Standards Board ("MASB") approved accounting standards in Malaysia so as to give a true and fair view of:-
 - (i) the state of affairs of the Group and of the Company as of January 31, 2007 and of the results and the cash flows of the Group and of the Company for the year ended on that date; and
 - (ii) the matters required by Section 169 of the Act to be dealt with in the financial statements and consolidated financial statements; and
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiary company have been properly kept in accordance with the provisions of the Act.

We are satisfied that the financial statements of the subsidiary company that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations as required by us for these purposes.

Our auditors' report on the financial statements of the subsidiary company was not subject to any qualification and did not include any comment made under sub-section (3) of Section 174 of the Act.

DELOITTE KASSIMCHAN
AF 0080
Chartered Accountants

HIEW KIM TIAM
1717/8/07 (J)
Partner

May 28, 2007

Income Statements

for the year ended January 31, 2007

	Note	The Group		The Company	
		2007 RM	2006 RM	2007 RM	2006 RM
Revenue	5	77,143,675	67,840,245	3,180,000	2,620,000
Other operating income	6	910,812	74,021	–	–
Changes in inventories of finished goods		321,861	(571,151)	–	–
Raw materials and consumables used		(46,874,522)	(38,152,960)	–	–
Directors' remuneration	7	(1,263,671)	(1,184,050)	(56,000)	(54,200)
Staff costs	6	(7,854,782)	(7,626,246)	–	–
Depreciation of property, plant and equipment	12	(6,530,206)	(6,221,145)	–	–
Finance costs	8	(514,836)	(589,285)	–	–
Other operating expenses	6	(9,324,276)	(9,015,972)	(122,530)	(164,254)
Profit before tax		6,014,055	4,553,457	3,001,470	2,401,546
Income tax expense	9	(520,100)	(545,096)	–	–
Net profit for the year		5,493,955	4,008,361	3,001,470	2,401,546
Earnings per ordinary share of RM0.50					
Basic (sen)	10	5.49	4.01		

The accompanying Notes form an integral part of the Financial Statements.



Balance Sheets
as of January 31, 2007

	Note	The Group		The Company	
		2007 RM	2006 RM	2007 RM	2006 RM
ASSETS					
Non-Current Assets					
Property, plant and equipment	12	68,555,049	70,147,001	–	–
Investment in subsidiary company	13	–	–	47,749,184	47,749,184
Total Non-Current Assets		68,555,049	70,147,001	47,749,184	47,749,184
Current Assets					
Inventories	14	6,950,370	7,039,571	–	–
Trade receivables	15	18,105,214	14,717,560	–	–
Other receivables, deposits and prepayments	16	1,650,971	1,359,751	40	540
Amount owing by subsidiary company	17	–	–	6,775,110	6,200,797
Cash and bank balances	26	1,355,349	552,280	14,710	2,858
Total Current Assets		28,061,904	23,669,162	6,789,860	6,204,195
TOTAL ASSETS		96,616,953	93,816,163	54,539,044	53,953,379
EQUITY AND LIABILITIES					
Capital and Reserve					
Issued capital	18	50,000,000	50,000,000	50,000,000	50,000,000
Reserves	19	17,974,317	14,812,662	4,517,744	3,916,274
Shareholders' Equity		67,974,317	64,812,662	54,517,744	53,916,274
Non-Current Liabilities					
Long-term loans - non-current portion	20	3,207,261	3,679,976	–	–
Hire-purchase obligations - non-current portion	21	313,481	428,820	–	–
Deferred tax liabilities	22	8,433,771	8,838,171	–	–
Total Non-Current Liabilities		11,954,513	12,946,967	–	–
Current Liabilities					
Trade payables	23	10,964,509	8,320,085	–	–
Other payables and accrued expenses	24	1,080,979	866,391	21,300	37,105
Bank borrowings	25	3,762,348	5,571,707	–	–
Hire-purchase obligations - current portion	21	626,820	1,211,683	–	–
Tax liabilities		253,467	86,668	–	–
Total Current Liabilities		16,688,123	16,056,534	21,300	37,105
Total Liabilities		28,642,636	29,003,501	21,300	37,105
TOTAL EQUITY AND LIABILITIES		96,616,953	93,816,163	54,539,044	53,953,379

The accompanying Notes form an integral part of the Financial Statements.

Statements of Changes in Equity

for the year ended January 31, 2007

The Group	Note	Issued Capital RM	Non-distributable Reserves		Distributable Reserve	Total RM
			Share Premium RM	Revaluation Surplus RM	Unappropriated Profit RM	
Balance as of						
February 1, 2005		50,000,000	1,504,405	–	8,907,854	60,412,259
Dividend paid	11	–	–	–	(1,500,000)	(1,500,000)
Revaluation surplus	12	–	–	1,892,042	–	1,892,042
Net profit for the year		–	–	–	4,008,361	4,008,361
Balance as of						
January 31, 2006		50,000,000	1,504,405	1,892,042	11,416,215	64,812,662
Dividend paid	11	–	–	–	(2,400,000)	(2,400,000)
Effect of change in tax rate applicable to deferred tax	22	–	–	67,700	–	67,700
Net profit for the year		–	–	–	5,493,955	5,493,955
Balance as of						
January 31, 2007		50,000,000	1,504,405	1,959,742	14,510,170	67,974,317

The Company	Note	Issued Capital RM	Non- distributable Reserve		Distributable Reserve	Total RM
			Share Premium RM	Unappropriated Profit RM		
Balance as of						
February 1, 2005		50,000,000	1,504,405	–	1,510,323	53,014,728
Dividend paid	11	–	–	–	(1,500,000)	(1,500,000)
Net profit for the year		–	–	–	2,401,546	2,401,546
Balance as of						
January 31, 2006		50,000,000	1,504,405	–	2,411,869	53,916,274
Dividend paid	11	–	–	–	(2,400,000)	(2,400,000)
Net profit for the year		–	–	–	3,001,470	3,001,470
Balance as of						
January 31, 2007		50,000,000	1,504,405	–	3,013,339	54,517,744

The accompanying Notes form an integral part of the Financial Statements.



Cash Flow Statements

for the year ended January 31, 2007

	Note	The Group		The Company	
		2007 RM	2006 RM	2007 RM	2006 RM
CASH FLOWS FROM/ (USED IN) OPERATING ACTIVITIES					
Profit before tax		6,014,055	4,553,457	3,001,470	2,401,546
Adjustments for:					
Depreciation of property, plant and equipment		6,530,206	6,221,145	–	–
Finance costs		514,836	589,285	–	–
Revaluation deficit		–	408,500	–	–
Allowance for doubtful debts		–	30,013	–	–
Property, plant and equipment written off		–	14,541	–	–
Gain on disposal of property, plant and equipment		(512,516)	(5,999)	–	–
Unrealised gain on foreign exchange		(27,164)	(3,671)	–	–
Dividend income from subsidiary company		–	–	(3,180,000)	(2,620,000)
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES BEFORE WORKING CAPITAL CHANGES					
		12,519,417	11,807,271	(178,530)	(218,454)
(Increase)/Decrease in:					
Inventories		89,201	(965,499)	–	–
Trade receivables		(3,387,654)	614,061	–	–
Other receivables, deposits and prepayments		(291,220)	(429,733)	500	2,723
Amount owing by subsidiary Company		–	–	(574,313)	(928,026)
Increase/(Decrease) in:					
Trade payables		2,671,588	(328,423)	–	–
Other payables and accrued Expenses		214,588	(41,547)	(15,805)	21,505
Cash Generated From/(Used In)					
Operations		11,815,920	10,656,130	(768,148)	(1,122,252)
Income tax paid		(690,001)	(5,245)	–	–
Dividend received		–	–	3,180,000	2,620,000
Net Cash From Operating Activities		11,125,919	10,650,885	2,411,852	1,497,748

Cash Flow Statements (Cont'd)
for the year ended January 31, 2007

	Note	The Group		The Company	
		2007 RM	2006 RM	2007 RM	2006 RM
CASH FLOWS FROM/ (USED IN) INVESTING ACTIVITIES					
Proceeds from disposals of property, plant and equipment		863,319	6,000	-	-
Purchase of property, plant and equipment		(4,440,346)	(3,439,406)	-	-
Net Cash Used In Investing Activities		(3,577,027)	(3,433,406)	-	-
CASH FLOWS FROM/ (USED IN) FINANCING ACTIVITIES					
Dividend paid		(2,400,000)	(1,500,000)	(2,400,000)	(1,500,000)
Decrease in bankers acceptances		(1,800,000)	(1,400,000)	-	-
Repayment of hire-purchase obligations		(1,548,913)	(1,633,707)	-	-
Interest paid		(514,836)	(589,285)	-	-
Repayment of term loans		(472,715)	(1,532,594)	-	-
Net Cash Used In Financing Activities		(6,736,464)	(6,655,586)	(2,400,000)	(1,500,000)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS		812,428	561,893	11,852	(2,252)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		542,921	(18,972)	2,858	5,110
CASH AND CASH EQUIVALENTS AT END OF YEAR	26	1,355,349	542,921	14,710	2,858

Note: The Group acquired property, plant and equipment with an aggregate cost of RM5,289,057 (2006 : RM3,439,406) of which RM848,711 (2006 : RM Nil) was acquired under hire-purchase arrangements. Cash payment for the acquisition of property, plant and equipment amounted to RM4,440,346 (2006 : RM3,439,406).

The accompanying Notes form an integral part of the Financial Statements.

Notes to the Financial Statements



1. GENERAL INFORMATION

The Company is principally an investment holding company.

The subsidiary company is principally involved in the business of manufacturing and supplying of plastic packaging products.

There have been no significant changes in the nature of the principal activities of the Company and its subsidiary company during the financial year.

The registered office of the Company is located at Level 14, Uptown 1, No. 1, Jalan SS21/58, Damansara Uptown, 47400 Petaling Jaya, Selangor Darul Ehsan.

The principal place of business of the Company is located at No. 12, Jalan Teluk Gadung 27/93, Section 27, 40000 Shah Alam, Selangor Darul Ehsan.

The financial statements of the Group and of the Company have been authorised by the Board of Directors for issuance on May 28, 2007.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with the provisions of the Companies Act, 1965 and the applicable Malaysian Accounting Standards Board ("MASB") approved accounting standards in Malaysia.

Changes in Accounting Policies

On February 1, 2006, the Group and the Company adopted all the new/revised Financial Reporting Standards ("FRSs") and Issues Committee Interpretations ("IC Interpretations") issued by MASB that are relevant to their operations and effective for financial periods beginning on or after January 1, 2006 as follows:-

FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
FRS 110	Events After the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effect of Changes in Foreign Exchange Rates
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 136	Impairment of Assets
IC Interpretation 115	Operating Leases – Incentives

The application of the revised FRS 101 has resulted in a change in the presentation of the financial statements for the current financial year. The changes in presentation have also been applied retrospectively.

The adoption of the abovementioned new/revised FRSs and IC Interpretations has not resulted in principal changes in accounting policies of the Group and the Company and does not have any material financial effect on the results of the Group and the Company for the current and prior financial years.

Accounting Standards Issued But Not Effective

As of the date of issuance of the financial statements, certain new/revised FRSs and IC Interpretations have been issued but not yet effective until future periods. Those new/revised FRSs which are relevant to the operations of the Group and the Company are as follows:-

(a) FRS 117 Leases

FRS 117 is effective for accounting periods beginning on or after October 1, 2006. The Group and the Company will apply this standard for the financial periods beginning on February 1, 2007.

(b) FRS 124 Related Party Disclosures

FRS 124 is effective for accounting periods beginning on or after October 1, 2006 and will affect the identification of related parties and certain other related party disclosures. The Group and the Company will apply this standard for the financial periods beginning on February 1, 2007.

(c) FRS 139 Financial Instruments: Recognition and Measurement

The effective date of FRS 139 has yet to be determined by MASB. This new standard establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. The Group and the Company will apply this standard when it becomes effective.

The directors are of the opinion that the adoption of the abovementioned new/revised FRSs will have no material financial impact on the financial statements of the Group and the Company for the financial year ending January 31, 2008.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention modified by the revaluation of certain property, plant and equipment.

Revenue

Revenue of the Group represents gross invoiced value of goods sold less discounts, returns and sales tax. Revenue of the Company represents gross dividend received from the subsidiary company.

Revenue is recognised on the following basis:-

Sales of goods - upon delivery of products when the risks and rewards of ownership have passed to the customers.

Dividend income - when the shareholder's right to receive payment is established.

Foreign Currency Conversion

Transactions in foreign currencies are converted into Ringgit Malaysia at the approximate exchange rates prevailing at the transaction dates or, where settlement has not taken place at the end of the financial year, at the approximate exchange rates prevailing at that date. All gains and losses on foreign exchange are taken up in the income statements.

The principal closing rates used in converting foreign currency amounts are as follows:-

	2007 RM	2006 RM
1 United States Dollar	3.54	3.78
1 Singapore Dollar	2.26	2.27

Income Tax

Deferred tax is accounted for in respect of temporary differences arising from differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are generally recognised for all deductible temporary differences, unutilised tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unutilised tax losses and unused tax credits can be utilised.

Property, Plant and Equipment

Property, plant and equipment, except for freehold land which is not depreciated, are stated at cost or valuation less accumulated depreciation and impairment losses.

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.

Depreciation and amortisation of other property, plant and equipment are computed on the straight-line method at rates based on their estimated useful lives. The principal annual rates used are as follows:-

Freehold buildings	Over 38-50 years
Freehold apartments	Over 45 years
Plant and machinery	10%
Office equipment	10%
Furniture and fittings	10%
Motor vehicles	20%
Electrical installation	10%
Containers	20%

Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or a cash generating unit 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.

An impairment loss is only reversed to the extent that the assets' carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

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

A subsidiary company is an enterprise controlled by the Company. Control exists when the Company 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 the Company and its subsidiary company as mentioned in Note 13 made up to January 31, 2007.

The subsidiary company is consolidated using the acquisition method of accounting whereby 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.

Investment in Subsidiary Company

Investment in unquoted shares of subsidiary company, which is eliminated on consolidation, is stated at cost.

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.

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.

Borrowing Costs

Borrowing costs directly attributable to construction of assets which require a substantial period of time to get them ready for their intended use are capitalised and included as part of the related assets. Capitalisation of borrowing costs will cease when the assets are ready for their intended use.

All other borrowing costs are recognised as an expense in the year in which they are incurred.

Provisions

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

Retirement Benefits

The Group is required by law to make monthly contributions to Employees' Provident Fund (EPF), a statutory defined contribution plan for all its eligible employees based on certain prescribed rates of the employees' salaries. The Group's contributions to EPF are disclosed separately while the employees' contributions to EPF are included in salaries and wages.

Cash Flow Statement

The Group and the Company adopt the indirect method in the preparation of the cash flow statement.

Cash equivalents are short-term, highly liquid investments with maturities of three months or less from the date of acquisition and are readily convertible to cash with insignificant risk of changes in value.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(i) Critical judgements made in applying accounting policies

In the process of applying the Group's and Company's accounting policies, which are described in Note 3, management is of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements.

(ii) Key sources of estimation uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

5. REVENUE

	The Group		The Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Sales of goods	77,143,675	67,840,245	–	–
Dividend income (tax-exempt) from subsidiary company	–	–	3,180,000	2,620,000
	77,143,675	67,840,245	3,180,000	2,620,000

6. OTHER OPERATING INCOME/(EXPENSES)

Included in other operating income/(expenses) are the following:-

	The Group		The Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Gain on disposal of property, plant and equipment	512,516	5,999	-	-
Gain on foreign exchange:				
Realised	258,000	40,952	-	-
Unrealised	27,164	3,671	-	-
Auditors' remuneration				
Statutory audit	(42,000)	(40,000)	(10,000)	(10,000)
Other	(3,000)	(3,000)	(3,000)	(3,000)
Rental of staff apartments and houses payable to:				
A director	(21,600)	(21,600)	-	-
Third party	(3,300)	(3,600)	-	-
Revaluation deficit	-	(408,500)	-	-
Allowance for doubtful debts	-	(30,013)	-	-
Property, plant and equipment written off	-	(14,541)	-	-

Included in staff costs of the Group are the Group's contributions to Employees' Provident Fund of RM420,633 (2006 : RM448,748) made by the subsidiary company for the financial year.

7. DIRECTORS' REMUNERATION

	The Group		The Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Executive directors:				
Other emoluments	1,038,975	964,762	-	-
Employees' Provident Fund contributions	48,696	45,088	-	-
Non-executive directors:				
Fees	168,000	168,000	48,000	48,000
Other emoluments	8,000	6,200	8,000	6,200
	1,263,671	1,184,050	56,000	54,200

Notes to the Financial Statements (Cont'd)

8. FINANCE COSTS

	The Group	
	2007 RM	2006 RM
Interest on:		
Term loans	289,633	330,120
Bankers acceptances	121,094	167,411
Hire-purchase	98,106	114,590
Bank overdrafts	6,003	7,166
	514,836	619,287
Less: Interest on term loan capitalised into property, plant and equipment (Note 12)	-	(30,002)
	514,836	589,285

9. INCOME TAX EXPENSE

	The Group		The Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Estimated tax payable:				
Current year	566,800	320,000	-	-
Under/(Over)provision in prior years	290,000	(74,904)	-	-
	856,800	245,096	-	-
Deferred tax (Note 22):				
Current year	(184,112)	131,000	-	-
Underprovision in prior year	110,684	169,000	-	-
Effect of change in tax rate	(263,272)	-	-	-
	(336,700)	300,000	-	-
	520,100	545,096	-	-

Notes to the Financial Statements (Cont'd)

A reconciliation of income tax expense applicable to profit before tax at the applicable statutory income tax rate to income tax expense at the effective income tax rate is as follows:-

	The Group		The Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Profit before tax	6,014,055	4,553,457	3,001,470	2,401,546
Tax at the applicable tax rate of 20% and 27% (2006: 28%)	1,588,795	1,234,968	775,397	672,433
Tax effects of:				
Expenses that are not deductible in determining taxable profit	198,046	288,232	83,203	61,167
Income that is not taxable in determining taxable profit	–	(68,400)	(858,600)	(733,600)
Utilisation of reinvestment allowances not previously recognised	(1,404,153)	(1,003,800)	–	–
Tax at effective tax rate	382,688	451,000	–	–
Under/(Over)provision of current tax liability in prior years	290,000	(74,904)	–	–
Underprovision of deferred tax liability in prior year	110,684	169,000	–	–
Effect of change in tax rate applicable to deferred tax	(263,272)	–	–	–
Tax charged to income statements	520,100	545,096	–	–

The subsidiary company is entitled to claim reinvestment allowances under Schedule 7A of the Income Tax Act, 1967. As of January 31, 2007, the cumulative reinvestment allowances claimed by the subsidiary company totalled RM47,295,492 (2006: RM42,000,152), subject to agreement by the Inland Revenue Board, of which an amount of RM33,230,728 (2006: RM26,068,360) has been utilised to offset against the business income in the current and prior years. The balance of unutilised reinvestment allowances amounting to RM14,064,764 (2006: RM15,931,792) is available for offset against future business income. The amount of reinvestment allowances utilised will enable the subsidiary company to pay tax-exempt dividends to its shareholder.

As of January 31, 2007, the Company has tax-exempt income amounting to RM3,333,600 (2006: RM2,553,600) arising from tax-exempt dividend income received from its subsidiary company, which is available for the distribution of tax exempt dividends to its shareholders.

As of January 31, 2007, the subsidiary company has tax-exempt income arising from the chargeable income on which income tax has been waived in 1999 in accordance with the Income Tax (Amendment) Act, 1999 amounting to RM1,955,876 (2006: RM1,955,876). As of January 31, 2007, the balance of the subsidiary company's tax-exempt income account arising from the reinvestment allowances utilised and the tax waiver year amounted to RM25,671,673 (2006: RM21,695,232) which, subject to the approval of the Inland Revenue Board, will enable the subsidiary company to pay tax-exempt dividends to the Company.

Notes to the Financial Statements (Cont'd)

10. EARNINGS PER ORDINARY SHARE

Earnings per ordinary share has been computed based on the Group's net profit for the year of RM5,493,955 (2006 : RM4,008,361) divided by the weighted average number of ordinary shares in issue of 100,000,000 (2006 : 100,000,000) during the financial year.

11. DIVIDEND

	The Company	
	2007	2006
	RM	RM
Final tax-exempt dividend paid - 4.8% for financial year ended January 31, 2006; 3% for financial year ended January 31, 2005	2,400,000	1,500,000

The directors have proposed a final tax-exempt dividend of 6.0% per ordinary share of RM0.50 each, amounting to RM3,000,000 in respect of the current financial year. This dividend is payable in respect of all ordinary shares in issue and is subject to approval by the shareholders at the forthcoming Annual General Meeting of the Company and has not been included as a liability in the Financial Statements.

12. PROPERTY, PLANT AND EQUIPMENT

The Group

2007	At beginning	Additions	Disposal	Reclassification	At end
Cost (unless otherwise stated)	of year	RM	RM	RM	of year
	RM	RM	RM	RM	RM
Freehold land					
- at 2006 valuation	17,671,600	-	-	-	17,671,600
Freehold buildings					
- at 2006 valuation	22,448,682	-	-	-	22,448,682
- at cost	238,340	825,096	-	-	1,063,436
Freehold apartments					
- at 2006 valuation	1,101,000	-	-	-	1,101,000
Plant and machinery					
- at 1989 valuation	-	-	-	-	-
- at cost	51,136,374	3,267,946	(977,000)	-	53,427,320
Plant and machinery under hire purchase	3,432,340	848,711	-	-	4,281,051
Office equipment	1,432,550	36,591	-	-	1,469,141
Furniture and fittings	450,240	15,270	-	-	465,510
Motor vehicles	2,840,281	295,443	(252,874)	546,115	3,428,965
Motor vehicles under hire-purchase	546,115	-	-	(546,115)	-
Electrical installation	1,267,685	-	-	-	1,267,685
Containers	2,700	-	-	-	2,700
Total	102,567,907	5,289,057	(1,229,874)	-	106,627,090

Notes to the Financial Statements (Cont'd)

The Group

2007 Accumulated Depreciation	At beginning of year RM	Charge for the year RM	Disposals RM	Reclassification RM	At end of year RM	Net book value RM
Freehold land						
- at 2006 valuation	-	-	-	-	-	17,671,600
Freehold buildings						
- at 2006 valuation	3,379,631	559,566	-	-	3,939,197	18,509,485
- at cost	1,949	13,086	-	-	15,035	1,048,401
Freehold apartments						
- at 2006 valuation	218,382	29,264	-	-	247,646	853,354
Plant and machinery						
- at cost	24,021,376	4,994,267	(626,908)	-	28,388,735	25,038,585
Plant and machinery under hire-purchase	440,664	371,524	-	-	812,188	3,468,863
Office equipment	806,688	113,943	-	-	920,631	548,510
Furniture and fittings	330,273	19,638	-	-	349,911	115,599
Motor vehicles	2,434,399	223,290	(252,163)	291,262	2,696,788	732,177
Motor vehicles under hire-purchase	182,039	109,223	-	(291,262)	-	-
Electrical installation	605,168	96,135	-	-	701,303	566,382
Containers	337	270	-	-	607	2,093
Total	32,420,906	6,530,206	(879,071)	-	38,072,041	68,555,049

The Group

2006 Cost (unless otherwise stated)	At beginning of year RM	Additions RM	Disposal RM	Written Off RM	Reclassification RM	Revaluation Surplus/ (Deficit) RM	At end of year RM
Freehold land							
- at 2006 valuation	18,400,865	41,000	-	-	(373,637)	(396,628)	17,671,600
- at cost	-	-	-	-	-	-	-
Freehold buildings							
- at 2006 valuation	19,563,301	283,200	-	-	94,587	2,507,594	22,448,682
- at cost	-	238,340	-	-	-	-	238,340
Freehold apartments							
- at 2006 valuation	932,080	-	-	-	-	168,920	1,101,000
Plant and machinery							
- at 1989 valuation	625,000	-	-	(625,000)	-	-	-
- at cost	60,867,323	2,395,749	-	(13,148,036)	1,021,338	-	51,136,374
Plant and machinery under hire purchase	4,453,678	-	-	-	(1,021,338)	-	3,432,340
Office equipment	1,364,129	68,421	-	-	-	-	1,432,550
Furniture and fittings	442,616	7,624	-	-	-	-	450,240
Motor vehicles	2,618,074	263,102	(33,000)	(7,895)	-	-	2,840,281
Motor vehicles under hire-purchase	546,115	-	-	-	-	-	546,115
Electrical installation	887,559	141,970	-	-	238,156	-	1,267,685
Containers	2,700	-	-	-	-	-	2,700
Total	110,703,440	3,439,406	(33,000)	(13,780,931)	(40,894)	2,279,886	102,567,907

Notes to the Financial Statements (Cont'd)

The Group

2006								
Accumulated Depreciation	At beginning of year RM	Charge for the year RM	Disposal RM	Written Off RM	Reclassification RM	Revaluation Surplus/(Deficit) RM	At end of year RM	Net book value RM
Freehold land								
- at 2006 valuation	-	-	-	-	-	-	-	17,671,600
- at cost	-	-	-	-	-	-	-	-
Freehold buildings								
- at 2006 valuation	2,937,839	445,110	-	-	-	(3,318)	3,379,631	19,069,051
- at cost	-	1,949	-	-	-	-	1,949	236,391
Freehold apartments								
- at 2006 valuation	133,506	22,560	-	-	-	62,316	218,382	882,618
Plant and machinery								
- at 1989 valuation	625,000	-	-	(625,000)	-	-	-	-
- at cost	32,270,127	4,717,142	-	(13,133,498)	167,605	-	24,021,376	27,114,998
Plant and machinery under hire-purchase	162,901	445,368	-	-	(167,605)	-	440,664	2,991,676
Office equipment	690,190	116,498	-	-	-	-	806,688	625,862
Furniture and fittings	310,210	20,063	-	-	-	-	330,273	119,967
Motor vehicles	2,218,469	256,821	(32,999)	(7,892)	-	-	2,434,399	405,882
Motor vehicles under hire-purchase	72,816	109,223	-	-	-	-	182,039	364,076
Electrical installation	519,027	86,141	-	-	-	-	605,168	662,517
Containers	67	270	-	-	-	-	337	2,363
Total	39,940,152	6,221,145	(32,999)	(13,766,390)	-	58,998	32,420,906	70,147,001

In 1989, a parcel of the subsidiary company'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 the said subsidiary company, of which an amount of RM500,000 was utilised for a bonus issue of ordinary shares in prior years. A deferred tax liability of RM211,709 has been provided on the revaluation surplus.

In accordance with the Group's policy, all the land and buildings of the subsidiary company were revalued by the directors on June 15, 2005 based on a valuation carried out by Messrs. Rahim & Co., an independent firm of professional valuers, using the "Comparison Method" basis. The net revaluation surplus amounting to RM1,483,542 (net of deferred tax of RM699,841), which has been credited to the revaluation reserve account of the said subsidiary company, has been recognised as follows:

	The Group	
	2007 RM	2006 RM
To revaluation reserve account:		
Revaluation surplus on freehold land, buildings and apartments	-	1,892,042
To income statements:		
Revaluation deficit on freehold land	-	(408,500)
	-	1,483,542

Notes to the Financial Statements (Cont'd)

Had these assets been carried at historical cost less accumulated depreciation, the carrying values of the revalued land and buildings of the said subsidiary company as of January 31, 2007 would be as follows:-

	Historical Cost RM	Carrying Values RM
Freehold land	10,988,171	17,671,600
Freehold buildings	17,433,337	19,557,886
Freehold apartments	734,880	853,354
	29,156,388	38,082,840

Certain property, plant and equipment of the Group with a net book value of RM36,835,680 (2006 : RM42,072,652) as of January 31, 2007 are charged to certain local banks to secure credit facilities and long-term loans as mentioned in Note 20.

Included in freehold building under construction of the Group is interest expense on borrowings capitalised amounting to RM Nil (2006 : RM30,002) during the financial year as mentioned in Note 8.

Included in property, plant and equipment of the Group are fully depreciated plant and machinery which are still in use, with costs totalling RM7,336,201 (2006 : RM6,138,574) as of January 31, 2007.

The carrying amount of plant and machinery of the Group that are temporarily not in active use amounted to approximately RM156,198 (2006 : RM809,341) as of January 31, 2007.

13. INVESTMENT IN SUBSIDIARY COMPANY

	The Company	
	2007 RM	2006 RM
Unquoted shares - at cost	47,749,184	47,749,184

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

Name of Company	Effective Equity Interest		Principal Activities
	2007	2006	
Perusahaan Jaya Plastik (M) Sdn. Bhd.	100%	100%	Manufacturing and supplying of plastic packaging products



14. INVENTORIES

Inventories consist of the following:-

	The Group	
	2007 RM	2006 RM
At cost:		
Finished goods	3,111,210	2,789,349
Raw materials	2,839,091	3,469,733
Packing materials	1,000,069	780,489
	6,950,370	7,039,571

15. TRADE RECEIVABLES

	The Group	
	2007 RM	2006 RM
Trade receivables	18,105,214	14,972,983
Allowance for doubtful debts	-	(255,423)
	18,105,214	14,717,560

Trade receivables of the Group comprise amounts receivable from sales of goods. The credit period granted to the customers of the Group ranges from 60 to 120 days (2006 : 45 to 90 days).

The Group's historical experience in collection of trade receivables falls within the recorded credit period and management believes that no additional credit risk for collection losses is inherent in the Group's trade receivables. As of January 31, 2007, an allowance of RM Nil (2006: RM255,423) has been made for estimated irrecoverable amounts based on management's past default experience. This amount has been utilised to write off bad debts during the current financial year.

16. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Refundable deposits	1,303,258	1,010,659	-	500
Prepayments	142,935	164,830	-	-
Other receivables	158,678	138,162	40	40
Investments - at cost	85,100	85,100	-	-
Allowance for impairment in value	(39,000)	(39,000)	-	-
	46,100	46,100	-	-
	1,650,971	1,359,751	40	540

Other receivables of the Group represent mainly levy paid on behalf of foreign workers.

Investments of the Group represent transferable golf club membership paid for certain directors of the Company.

17. RELATED PARTY TRANSACTIONS AND BALANCES

Amount owing by subsidiary company which arose mainly from advances and payments made on behalf of the Company, is unsecured, interest-free and has no fixed terms of repayment.

Save as disclosed elsewhere in the financial statements, the related party and the relationship with the Company is as follows:-

Name of related party	Relationship
Mr. Chen Yat Lee	Director of the Company

The financial statements of the Group reflect the following significant related party transaction during the financial year:-

	The Group	
	2007 RM	2006 RM
Mr. Chen Yat Lee Rental of staff apartments and houses	21,600	21,600

The directors are of the opinion that the above transaction has been entered into in the normal course of business and has been established under terms that are no less favourable than that arranged with independent parties.

18. SHARE CAPITAL

Share capital is represented by:-

	The Company	
	2007 RM	2006 RM
Authorised: 200,000,000 ordinary shares of RM0.50 each	100,000,000	100,000,000
Issued and fully paid: 100,000,000 ordinary shares of RM0.50 each	50,000,000	50,000,000

19. RESERVES

	The Group		The Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Non-distributable:				
Share premium	1,504,405	1,504,405	1,504,405	1,504,405
Revaluation surplus	1,959,742	1,892,042	-	-
Distributable:				
Unappropriated profit	14,510,170	11,416,215	3,013,339	2,411,869
	17,974,317	14,812,662	4,517,744	3,916,274

Share premium

Share premium arose mainly from the issuance of 92,141,996 and 7,858,000 new ordinary shares of RM0.50 each in the Company at an issue price of approximately RM0.52 and RM0.65 per ordinary share pursuant to the acquisition of the subsidiary company and public issue in prior years. Listing expenses of RM1,352,481 (2006 : RM1,352,481) which have been incurred by the Company were written off against the share premium account.

Revaluation surplus

Revaluation surplus arose from the revaluation of land and buildings in 2006 as disclosed in Note 12.

Unappropriated profit

Distributable reserves are those available for distribution by way of dividends.

Taking into consideration the tax-exempt income as mentioned in Note 9, the estimated tax credit available and the prevailing tax rate applicable to dividends, the entire unappropriated profit of the Company as of January 31, 2007 is available for distribution by way of cash dividends without additional tax liability being incurred.

20. LONG-TERM LOANS

The long-term loans of the Group are as follows:-

	The Group	
	2007	2006
	RM	RM
Outstanding loan principal	3,969,609	4,442,324
Less: Portion due within one year, included under bank borrowings (Note 25)	(762,348)	(762,348)
Non-current portion	3,207,261	3,679,976

The long-term loans of the Group are secured by collateral as disclosed in Note 25.

The long-term loans bear interest at rates ranging from 4.65% to 7.75% (2006 : 4.65% to 7.50%) per annum are repayable over an average repayment period of 9.4 years (2006: 9.4 years) at an average monthly installment of RM21,176 (2006: RM21,176).

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

	The Group	
	2007	2006
	RM	RM
Financial years ending January 31:		
2008	-	472,143
2009	513,278	509,635
2010 and above	2,693,983	2,698,198
	3,207,261	3,679,976

21. HIRE-PURCHASE OBLIGATIONS

Hire-purchase obligations are as follows:-

	The Group	
	2007 RM	2006 RM
Total installments outstanding	1,045,409	1,790,258
Less: Interest-in-suspense	(105,108)	(149,755)
Principal amount outstanding	940,301	1,640,503
Less: Portion due within one year, included under current liabilities	(626,820)	(1,211,683)
Non-current portion	313,481	428,820

The non-current portion is repayable as follows:-

	The Group	
	2007 RM	2006 RM
Financial year ending January 31:		
2008	-	428,820
2009	198,000	-
2010	115,481	-
	313,481	428,820

It is the Group's policy to acquire certain of its property, plant and equipment under hire-purchase arrangements. The term for these hire-purchase is 1 to 3 years. For the financial year ended January 31, 2007, these obligations bear effective interest rates ranging from 3.00% to 6.02% (2006 : 1.64% to 6.21%) per annum. Interest rate is fixed at the inception of the hire-purchase arrangements.

The hire-purchase obligations of the Group with the financial institutions are guaranteed by the Company and secured by a charge over the assets under hire-purchase.

22. DEFERRED TAX LIABILITIES

	The Group	
	2007 RM	2006 RM
Balance at beginning of year	8,838,171	7,838,330
Transfer (to)/from income statement (Note 9)	(336,700)	300,000
Revaluation surplus (net)	(67,700)	699,841
Balance at end of year	8,433,771	8,838,171

Notes to the Financial Statements (Cont'd)

The net deferred tax liabilities are in respect of the following:-

	The Group Deferred Tax Assets/(Liabilities)	
	2007 RM	2006 RM
Tax effects of temporary differences arising from:		
Property, plant and equipment	(6,942,000)	(7,303,535)
Others	–	24,835
Tax effects of revaluation surplus on land and buildings	(1,491,771)	(1,559,471)
	(8,433,771)	(8,838,171)

23. TRADE PAYABLES

Trade payables of the Group comprise amounts outstanding for trade purchases. The average credit period granted to the Group for trade purchases ranges from 60 to 120 days (2006 : 90 to 120 days).

The currency exposure profile of trade payables is as follows:-

	The Group	
	2007 RM	2006 RM
Ringgit Malaysia	7,779,229	6,200,724
United States Dollar	3,185,280	2,119,361
	10,964,509	8,320,085

24. OTHER PAYABLES AND ACCRUED EXPENSES

	The Group		The Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Other payables	135,852	115,837	–	–
Accrued expenses	945,127	750,554	21,300	37,105
	1,080,979	866,391	21,300	37,105

Other payables of the Group comprise mainly outstanding amounts payable for the purchase of machinery, manufacturing moulds, utilities and staff costs.

25. BANK BORROWINGS

Bank borrowings consist of the following:-

	The Group	
	2007 RM	2006 RM
Bankers acceptances	3,000,000	4,800,000
Long-term loans - current portion (Note 20)	762,348	762,348
Bank overdrafts	-	9,359
Total	3,762,348	5,571,707

As of January 31, 2007, the Group has bank overdrafts and other credit facilities obtained from local banks totalling RM18,550,000 (2006 : RM18,550,000) which bear interest at rates ranging from 2.93% to 7.75% (2006 : 2.93% to 7.75%) per annum.

These credit facilities and the long-term loans of the subsidiary company, which are guaranteed by the Company, are secured by the following:-

- A debenture with fixed and floating charges over the entire assets of the subsidiary company; and
- Legal charges on certain freehold land and buildings of the subsidiary company.

26. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:-

	The Group		The Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Cash and bank balances	1,355,349	552,280	14,710	2,858
Bank overdrafts (Note 25)	-	(9,359)	-	-
	1,355,349	542,921	14,710	2,858

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The operations of the Group are subject to a variety of financial risks, including foreign currency risk, interest rate risk, market risk, credit risk, liquidity risk and cash flow risk. The Group has formulated a financial risk management framework whose principal objective is to minimise the Group's exposure to risks and/or costs associated with the financing, investing and operating activities of the Group.

Various risk management policies are made and approved by the Board for observation in the day-to-day operations for the controlling and management of the risks associated with financial instruments.

Foreign currency risk

The Group is exposed to foreign currency risk through overseas purchases quoted in United States Dollar. The Group reviews the position of amounts outstanding from these foreign currency denominated transactions periodically so as to mitigate the negative impact arises from fluctuation in exchange rates on a timely basis.

Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate exposure arises from the Group's bank borrowings, hire-purchase obligations and term loans, which bear interest as disclosed in Notes 20, 21 and 25 respectively. As of January 31, 2007, the bank borrowings are classified as short-term and therefore the exposure to the effects of future changes in prevailing level of interest rates is limited. The exposure to the effects of future changes in prevailing level of interest rates of hire-purchase obligations and term loans is not significant to the Group.

Market risk

The Group manages the exposure to fluctuation in the prices of the key raw materials used for manufacturing and supplying of plastic packaging products and competitive risks from competitors in providing better alternatives in terms of competitive pricing through constant monitoring of market prices and trends.

Credit risk

The Group is exposed to credit risk mainly from trade receivables. The Group extends credit to its customers based upon careful evaluation of the customer's financial condition and credit history. The Group also ensures a large number of customers so as to limit high credit concentration in a customer or customers from a particular market.

The Group's exposure to credit risk in relation to its trade receivables, should all its customers fail to perform their obligations as of January 31, 2007, is the carrying amount of these receivables as disclosed in the balance sheet.

Liquidity risk

The Group practises prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and to maintain sufficient credit facilities for contingent funding requirement of working capital.

Cash flow risk

The Group reviews its cash flow position regularly to manage its exposure to fluctuations in future cash flows associated with its monetary financial instruments.

Financial Assets

The Group's principal financial assets are trade and other receivables and, cash and bank balances. The accounting policies applicable to the major financial assets are as disclosed in Note 3.

Financial Liabilities and Equity Instruments

Debt and equity instruments are classified as either liabilities or equity in accordance with the substance of the contractual arrangement.

Significant financial liabilities include trade and other payables, bank overdrafts, bankers acceptances, hire-purchase obligations and term loans.

Fair Values

As of January 31, 2007, the fair values of the financial assets and financial liabilities, reported in the balance sheet approximate the carrying amount of those assets and liabilities because of the immediate or short-term maturity of these financial instruments, except as follows:-

	The Group	
	Carrying Amount RM	Fair Value RM
Financial Liability		
Term loans (Note 20)	3,969,609	3,792,113

The fair value of the term loans of the Group is estimated using the discounted cash flow analysis based on interest rates of the subject hire-purchase obligations and term loans.

28. SEGMENT REPORTING

The Group operates in a single industry in the business of manufacturing and supplying of plastic packaging products as disclosed in Note 13 and principally in Malaysia. Accordingly, the financial information by industry and geographical segments of the Group's operations are not presented.

29. CONTINGENT LIABILITIES - UNSECURED

As of January 31, 2007, the Company is contingently liable in respect of guarantees given for hire-purchase and other credit facilities granted by various local financial institutions to the subsidiary company. As of January 31, 2007, amount outstanding from these facilities amounted to RM7,909,910 (2006 : RM10,866,637).

30. CAPITAL COMMITMENTS

As of January 31, 2007, the Group has the following capital commitments:-

	The Group	
	2007 RM	2006 RM
Approved and contracted for:		
Purchase of plant and machinery	1,626,468	1,476,050



Statement by Directors

The Directors of **CYL CORPORATION BERHAD** state that, in their opinion, the accompanying balance sheets and statements of income, cash flows and changes in equity, are drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable MASB approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as of January 31, 2007 and of the results and the cash flows of the Group and of the Company for the year ended on that date.

Signed on behalf of the Board
in accordance with a resolution of the directors,

CHEN YAT LEE

LAU KIM LIAN

Shah Alam,
May 28, 2007

Declaration by the Director

Primarily Responsible for the Financial Management of the Company

I, **LAU KIM LIAN**, the Director primarily responsible for the financial management of **CYL CORPORATION BERHAD**, do solemnly and sincerely declare that the accompanying balance sheets and statements of income, cash flows and changes in equity, are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

LAU KIM LIAN

Subscribed and solemnly declared by the abovenamed **LAU KIM LIAN** at **SHAH ALAM** this 28th day of May, 2007.

Before me,

COMMISSIONER FOR OATHS

List of Properties

as at January 31, 2007

A summary of the information on the landed properties of CYL Group as at January 31, 2007 are as follows:-

Title/Location	Existing use/ Description of property	Area (sq. ft.)	Tenure	Approximate age of building (years)	Net book value as at 31 January 2007 RM	Date of Valuation
Held under Title No. H.S. (D) 184080, Lot No. PT 76, Mukim of Pekan Hicom, District of Petaling, State of Selangor	Industrial/ A three storey office building annexed with three single storey factory/ warehouse	226,466	Freehold	10-13	23,279,158	June 15, 2005
8-10-12, Jalan Teluk Gadung 27/93, Section 27, 40000 Shah Alam Selangor Darul Ehsan						
Held under Title No. H.S. (D) 71252, Lot No. PT 23, Mukim of Damansara, District of Petaling, State of Selangor	Industrial/ A double storey office building annexed with single storey factory/ warehouse	43,560	Freehold	16	3,805,429	June 15, 2005
Lot 23, Jalan Jaya Setia 26/3, Section 26, Hicom Industrial Estate, 40000 Shah Alam Selangor Darul Ehsan						
Held under Title No. H.S. (D) 63661, Lot No. PT 664, Mukim of Damansara, District of Petaling, State of Selangor	Industrial/ An intermediate unit 1½ storey terraced factory	3,900	Freehold	13	393,803	June 15, 2005
36, Jalan Batu Belah 27/96, Section 27, 40000 Shah Alam Selangor Darul Ehsan						



List of Properties (cont'd)
as at January 31, 2007

Title/Location	Existing use/ Description of property	Area (sq. ft.)	Tenure	Approximate age of building (years)	Net book value as at 31 January 2007 RM	Date of Valuation
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	Residential/Ten units of medium cost apartment	Not applicable	Freehold	11	853,354	June 15, 2005
Ten Units of Medium Cost Apartment located at Taman Bunga Negara, (Hicom Sector B), Section 26/27, 40400 Shah Alam Selangor Darul Ehsan						
Held under Title No. H.S.(D) 63660 Lot No. PT 663 Mukim of Damansara, District of Petaling, State of Selangor	A 1 ½ storey factory	3,900	Freehold	13	403,111	June 15, 2005
34, Jalan Batu Belah 27/96, Section 27, 40000 Shah Alam Selangor Darul Ehsan						
Held under Title No. H.S.(D) 63630 Lot No. PT 632 Mukim of Damansara, District of Petaling, State of Selangor	Industrial/ A double storey office building annexed with single storey factory/ warehouse	55,565	Freehold	Not applicable	7,107,983	June 15, 2005
4, Jalan Teluk Gadung 27/93, Section 27, 40000 Shah Alam Selangor Darul Ehsan						
Held under Title No. H.S.(D) 63631 Lot No. PT 633 Mukim of Damansara, District of Petaling, State of Selangor	Industrial land	55,565	Freehold	Not applicable	2,240,000	June 15, 2005
2, Jalan Teluk Gadung 27/93, Section 27, 40000 Shah Alam Selangor Darul Ehsan						

Analysis of Shareholdings

as at June 07, 2007

Authorised Share Capital	:	RM100 million
Issued and Paid Up Capital	:	RM 50 million
Class of Shares	:	Ordinary Shares of RM0.50 each
Voting Rights	:	One (1) vote per Ordinary Share

SHAREHOLDINGS DISTRIBUTION

Size of Holdings	No. of Shareholders	No. of Shares Held	% of Issued Capital
Less than 100	3	142	0.00
100 – 1,000	282	268,700	0.27
1,001 – 10,000	1,018	5,202,300	5.20
10,001 – 100,000	323	10,076,200	10.07
100,001 – less than 5% of issued shares	36	23,146,400	23.15
5% and above of issued shares	3	61,306,258	61.31
Total	1,665	100,000,000	100.00

LIST OF TOP 30 SHAREHOLDERS/DEPOSITORS

No.	Name	No. of Shares Held	% of Issued Capital
1.	CHEN YAT LEE	26,814,000	26.81
2.	LAU KIM LIAN	18,086,000	18.09
3.	KAF NOMINEES (TEMPATAN) SDN BHD <i>ABU TALIB BIN OTHMAN</i>	16,406,258	16.41
4.	CIMSEC NOMINEES (TEMPATAN) SDN BHD <i>CHEN YAT LEE (MM1133)</i>	4,987,800	4.99
5.	EB NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR LAU KIM LIAN</i>	4,707,000	4.71
6.	EB NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR CHEN YAT LEE</i>	3,000,000	3.00
7.	AMFINANCE BHD <i>PLEDGED SECURITIES ACCOUNT FOR FADZLULLAH SHUHAIMI BIN SALLEH (SMART)</i>	2,739,600	2.74
8.	AMBANK (M) BERHAD <i>PLEDGED SECURITIES ACCOUNT FOR HAW HOCK KOK @ LOW HOCK KOK (CYL)</i>	500,000	0.50
9.	LEE SANG YAT	500,000	0.50
10.	TA NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR CHEN YIN KHEE</i>	494,700	0.49
11.	CHAN YIK CHEUNG @ CHAN YIT CHEONG	470,000	0.47
12.	AMSEC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR LEE KONG BENG</i>	442,100	0.44
13.	TEOH CHIN SIANG	436,900	0.44
14.	CHEN YIN KHEE	423,000	0.42
15.	LEE SENG CHIT	360,000	0.36
16.	HAW HOCK KOK @ LOW HOCK KOK	331,300	0.33
17.	HLG NOMINEE (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR TAN KIM SEONG</i>	316,000	0.32
18.	TA NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR TAY AH KAM</i>	276,500	0.28

Analysis of Shareholdings (cont'd)
as at June 07, 2007

No.	Name	No. of Shares Held	% of Issued Capital
19.	CIMSEC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR YAP YIT CHANG (TAMAN SEMARAK)</i>	221,000	0.22
20.	CHONG YUEN KHIN	210,000	0.21
21.	AFFIN NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR NG GEOK WAH (NGG0012C)</i>	200,000	0.20
22.	TA NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR CHAI NAM KIONG</i>	183,300	0.18
23.	WONG YEE WAH @ WONG MOK CHOON	175,000	0.17
24.	CHEONG YUEN LAI	163,500	0.16
25.	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR TEH KIAN LANG (CEB)</i>	162,000	0.16
26.	MAYBAN NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR CHUNG CHIT MIN</i>	152,000	0.15
27.	CHOW YOON YEE @ CHOE YOON YEE	151,000	0.15
28.	PUBLIC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR NG SIEW LAN (KLC/HLG)</i>	150,000	0.15
29.	LIM HWI PHENG	145,000	0.14
30.	LONG NYOK HWA	141,000	0.14

DIRECTORS' SHAREHOLDINGS

No.	Name	Direct Interest	No. of Shares Held		% of Issued Capital
			% of Issued Capital	Deemed Interest	
1.	Chen Yat Lee	34,801,800	34.80	–	–
2.	Lau Kim Lian	22,793,000	22.79	–	–
3.	Tan Sri Abu Talib Bin Othman	16,406,258	16.41	–	–
4.	Chen Wai Ling	–	–	–	–
5.	Abd Malik bin A. Rahman	–	–	–	–
6.	Seow Nyoke Yoong	–	–	–	–

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

No.	Name	Direct Interest	No. of Shares Held		% of Issued Capital
			% of Issued Capital	Deemed Interest	
1.	Chen Yat Lee	34,801,800	34.80	–	–
2.	Lau Kim Lian	22,793,000	22.79	–	–
3.	Tan Sri Abu Talib Bin Othman	16,406,258	16.41	–	–

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CYL CORPORATION BERHAD

(Company No, 516143-V)
(Incorporated in Malaysia under the Companies Act, 1965)

PROXY FORM

No of shares held

I/We (NRIC/Passport No.)
 [Please fill in full name, NRIC No./Company No. and telephone number] (Please use block letters)
 of (Tel No.)
 [Full address]
 being a member/members of CYL COPORATION BERHAD, hereby appoint

.....
 [Please fill in full name and NRIC No.] (Please use block letters)
 of
 [Full address]

or failing him,

of

or failing *him / her, the *CHAIRMAN OF THE MEETING, as *my/our proxy to attend and vote for *me/us on *my/our behalf at the Annual General Meeting of the Company to be held at Conference Room, Level 3, Eastin Hotel, 13, Jalan 16/11, Pusat Dagang Seksyen 16, 46350 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Friday, 27 July 2007 at 10.00 a.m., and at any adjournment thereof.

My/our proxy is to vote as indicated below:-

No.	RESOLUTION	FOR	AGAINST
1.	Receipt of the Audited Financial Statements for the financial year ended 31 January 2007 and Reports.		
2.	Declaration of final tax exempt dividend.		
3.	Re-election of Lau Kim Lian as Director.		
4.	Re-election of Seow Nyoke Yoong as Director.		
5.	Re-appointment of Messrs Deloitte KassimChan as Auditors and authorising Directors to determine their remuneration.		
6.	Authority to issue shares pursuant to Section 132D of the Companies Act, 1965.		
7.	Proposed amendments to Articles of Association.		

*Strike out whichever is not applicable

[Please indicate with an "X" in the spaces provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit.]

Dated this _____ day of _____ 2007.

 Signature or Common Seal of Member(s)

Notes:

- i. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or attorney or other duly authorised representative to attend and vote in his stead. A proxy may but need not be a member of the Company. A member may appoint any person to be his proxy and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. A member may appoint up to two (2) proxies and vote at the same meetings and that the appointment shall specify the proportions of his shareholdings to be represented by each proxy.
- ii. The instrument appointing a proxy shall be in writing and in the case of an individual shall be signed by the appointor or by his attorney, and in the case of a corporation shall be either under its common seal or signed by its attorney or an officer on behalf of the corporation.
- iii. The instrument appointing a proxy and the power of attorney or other attorney, if any, under which it is signed or a notarised copy of that power or authority shall be deposited at the registered office of the Company at Level 14, Uptown 1, No. 1 Jalan SS21/58, Damansara Uptown, 47400 Petaling Jaya, Selangor Darul Ehsan, not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.



Fold this flap for sealing

Then fold here

AFFIX
STAMP

The Company Secretaries
CYL CORPORATION BERHAD
(Company No. 516143-V)
Level 14, Uptown 1
1, Jalan SS21/58
Damansara Uptown
47400 Petaling Jaya
Selangor Darul Ehsan

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