

QUARTERLY REPORT FOR THE SECOND FINANCIAL QUARTER ENDED 31 JULY 2007
(THESE FIGURES ARE UNAUDITED)

CONDENSED CONSOLIDATED INCOME STATEMENT

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.07.2007 RM'000	Preceding Year Corresponding Quarter 31.07.2006 RM'000	Current Year To Date 31.07.2007 RM'000	Preceding Year Corresponding Period 31.07.2006 RM'000
Revenue	19,115	19,207	38,454	36,441
Other operating income	-	25	111	68
Changes in inventories of finished goods	162	(9)	275	313
Raw materials and consumables used	(11,537)	(11,264)	(23,150)	(21,533)
Directors' remuneration	(285)	(280)	(559)	(558)
Staff costs	(2,006)	(1,959)	(4,106)	(3,885)
Depreciation of property, plant and equipment	(1,681)	(1,713)	(3,304)	(3,359)
Other operating expenses	(2,649)	(2,141)	(5,084)	(4,170)
Profit from operations	1,119	1,866	2,637	3,317
Finance costs	(116)	(117)	(244)	(250)
Profit before tax	1,003	1,749	2,393	3,067
Income tax expense	(150)	(305)	(250)	(505)
Net Profit for the period	853	1,444	2,143	2,562
	Sen	Sen	Sen	Sen
Net earnings per share				
- Basic	0.85	1.44	2.14	2.60
- Diluted	-	-	-	-

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 January 2007 and the accompanying explanatory notes to the quarterly financial statements.

QUARTERLY REPORT FOR THE SECOND FINANCIAL QUARTER ENDED 31 JULY 2007
(THESE FIGURES ARE UNAUDITED)

CONDENSED CONSOLIDATED BALANCE SHEET

	31.07.2007 RM'000	31.01.2007 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	69,851	68,555
Total Non-Current Assets	<u>69,851</u>	<u>68,555</u>
Current Assets		
Inventories	8,342	6,950
Trade receivables	16,845	18,105
Other receivables and prepaid expenses	1,349	1,651
Cash and bank balances	1,436	1,355
Total Current Assets	<u>27,972</u>	<u>28,061</u>
TOTAL ASSETS	<u>97,823</u>	<u>96,616</u>
EQUITY AND LIABILITES		
Capital and Reserve		
Issued capital	50,000	50,000
Reserves	17,117	17,974
Shareholders' Equity	<u>67,117</u>	<u>67,974</u>
Non-Current Liabilities		
Long term loans – non-current portion	2,964	3,207
Hire-purchase obligations – non-current portion	402	313
Deferred tax liabilities	8,434	8,434
Total Non-Current Liabilities	<u>11,800</u>	<u>11,954</u>
Current Liabilities		
Trade payables	10,494	10,964
Other payables and accrued expenses	1,340	1,081
Bank borrowings	3,263	3,763
Dividend payable	3,000	-
Hire-purchase obligations – current portion	478	627
Tax liabilities	331	253
Total Current Liabilities	<u>18,906</u>	<u>16,688</u>
Total Liabilities	<u>30,706</u>	<u>28,642</u>
TOTAL EQUITY AND LIABILITIES	<u>97,823</u>	<u>96,616</u>

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 January 2007 and the accompanying explanatory notes to the quarterly financial statements.

QUARTERLY REPORT FOR THE SECOND FINANCIAL QUARTER ENDED 31 JULY 2007
(THESE FIGURES ARE UNAUDITED)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	6 months ended 31.07.2007 RM'000	6 months ended 31.07.2006 RM'000
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES	5,708	4,607
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES	(4,580)	(209)
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES	(1,047)	(4,163)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	81	235
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,355	552
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>1,436</u>	<u>787</u>
Cash and cash equivalents comprises:		
Cash and Bank balances	1,436	787
Bank Overdraft	-	-
	<u>1,436</u>	<u>787</u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 January 2007 and the accompanying explanatory notes to the quarterly financial statements.

QUARTERLY REPORT FOR THE SECOND FINANCIAL QUARTER ENDED 31 JULY 2007
(THESE FIGURES ARE UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued capital RM'000	Share premium RM'000	Revaluation Surplus RM'000	Unappropriated profits RM'000	Total RM'000
Balance as of 1 February 2006	50,000	1,504	1,892	11,416	64,812
Dividends	-	-	-	(2,400)	(2,400)
Net profit for the year	-	-	-	2,562	2,562
Balance as of 31 July 2006	50,000	1,504	1,892	11,578	64,974
Balance as of 1 February 2007	50,000	1,504	1,960	14,510	67,974
Dividends	-	-	-	(3,000)	(3,000)
Net profit for the year	-	-	-	2,143	2,143
Effect of change in tax rate applicable to Deferred tax	-	-	-	-	-
Balance as of 31 July 2007	50,000	1,504	1,960	13,653	67,117

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 January 2007 and the accompanying explanatory notes to the quarterly financial statements.

EXPLANATORY NOTES TO INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE SECOND FINANCIAL QUARTER ENDED 31 JULY 2007

A EXPLANATORY NOTES – FINANCIAL REPORTING STANDARDS (FRS) 134 : INTERIM FINANCIAL REPORTING

A1 Accounting policies and basis of preparation

This interim financial report is unaudited and has been prepared in compliance with FRS 134, Interim Financial Reporting and paragraph 9.22 of the Listing requirements of Bursa Malaysia Securities Berhad (Bursa Malaysia).

The interim financial report is unaudited and should be read in conjunction with the audited financial statements for the year ended 31 January 2007. The explanatory notes attached to the quarterly financial statements provide an explanation of events and transactions that are significant to gain an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 January 2007.

The accounting policies and methods of computation adopted by the Group and Company in this report are consistent with those adopted in the audited financial statements for the year ended 31 January 2007.

A2 Audit Qualification of Annual Financial Statements

The financial statements of the preceding year for the Group and Company were not subject to any qualifications.

A3 Seasonal or cyclical factors

The Group is concerned with the rising cost of raw material driven up by supply and demand factors and rising crude oil prices.

A4 Unusual nature and amount of items affecting assets, liabilities, equity, net income and cash flows

There are no unusual nature and amount of items affecting assets, liabilities, equity, net income and cash flows of the Group during the quarter under review .

A5 Material changes in estimates of amounts reported in prior periods in current financial year or prior financial years which have material effect in the current interim period

There are no material changes in estimates of amounts reported in prior financial years that have a material effect in the current interim period.

A6. Changes in debts and equity securities

There were no issuance, cancellation, repurchases, resale and repayments of debts and equity securities for the current financial quarter ended 31 July 2007.

A7. Dividend

No interim dividend has been proposed in the current financial quarter ended 31 July 2007.

The final tax exempt dividend of 3.0 sen (6.0%) [2006 : 2.4 sen (4.8%)], amounting to RM 3,000,000 (2006 : RM 2,400,000) in respect of the financial year ended 31 January 2007 has been approved by shareholders at the seventh Annual General Meeting on 27 July 2007 and has been paid on 29 August 2007 to shareholders whose name appear in the Record of Depositors on 17 August 2007.

A8. Segmental reporting

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

CYL CORPORATION BERHAD

(Incorporated in Malaysia)

Company No. 516143 - V

EXPLANATORY NOTES TO INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE SECOND FINANCIAL QUARTER ENDED 31 JULY 2007

A9 Property, plant and equipment

The valuations of property, plant and equipment have been brought forward without amendment from the previous annual financial statements ended 31 January 2007.

The total additions of property, plant and equipment for the financial quarter ended 31 July 2007 amounted to RM 2,679 thousand. During the said period, there were no significant disposal of property, plant and equipment.

A10. Material events subsequent to the current quarter.

In the opinion of the Directors, there were no items, transaction or event of a material and unusual nature which has arisen which would substantially affect the results of the Group and the Company for the period between 31 January 2007 and the date of this report.

A11. Changes in the composition of the Company

There were no changes in the composition of the Group for the current financial period to date.

A12. Changes in Contingent Assets and Contingent Liabilities

There were no significant changes in contingent assets and liabilities since the last annual balance sheet as at 31 July 2007 except for certain corporate guarantees amounting to RM30.89 million given to banks for credit facilities granted to the subsidiary company.

A13. Capital commitments

As at 31 July 2007, the Group has the following capital expenditure relating to upgrading on building and purchase of machinery as follows:

	RM'000
Approved and contracted for	<u>2,409</u>

A14. Significant Related Party Transactions

There were no significant related party transactions during the quarter under review.

EXPLANATORY NOTES TO INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE SECOND FINANCIAL QUARTER ENDED 31 JULY 2007

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA LISTING REQUIREMENTS

B1. Review of performance

The Group achieved profit before tax of RM1.00 million based on the back of RM19.12 million revenue for the current quarter ended 31 July 2007. In the corresponding interim period ended 31 July 2006, the profit before tax and revenue were RM1.75 million and RM19.21 million respectively.

B2. Material change in the quarterly results compared to preceding quarter's results

The revenue recorded for the Group decreased by 1.16% as compared to the preceding financial quarter ended 30 April 2007 with a corresponding decrease in profit before tax of 27.84%.

B3. Prospects for the current financial year

The increase in crude oil price has affected the price of plastic resin which is the Group's main raw material. Any further increase in the crude oil price for the year may have a direct impact on the Group's bottom line. Barring other unforeseen circumstances, the Board is of the opinion that the performance of the Group for the financial year ending 31 January 2008 will be challenging.

B4. Variance of actual profit from profit forecast or profit guarantee

The disclosure requirement is not applicable for the Group.

B5. Income tax expense

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.07.2007 RM'000	Preceding Year Corresponding Quarter 31.07.2006 RM'000	Current Year To Date 31.07.2007 RM'000	Preceding Year Corresponding Period 31.07.2006 RM'000
Estimated tax payable:				
Malaysian income tax	150	100	250	200
Deferred tax	-	100	-	200
Underprovision in prior Years	-	105	-	105
	<u>150</u>	<u>305</u>	<u>250</u>	<u>505</u>

The Group's effective tax rate is not proportionate to the statutory tax rate mainly due to reinvestment allowance claimed by the subsidiary company.

B6. Unquoted investments and properties

There were no material disposals of unquoted investments and properties during the current quarter.

B7. Quoted investments

Not applicable to the Group.

EXPLANATORY NOTES TO INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE SECOND FINANCIAL QUARTER ENDED 31 JULY 2007

B8. Status of corporate proposals announced

As of the date of issue of this interim financial report, there were no corporate proposals announced but not completed.

B9. Group borrowings and debt securities

Group borrowings (all denominated in Malaysian currency) as at 31 July 2007 are as follows:

	Secured RM'000
Current	
Bank Overdraft	-
Bankers Acceptance	2,500
Long term loans – current	763
Hire purchase obligation – current	478
Subtotal	3,741
Non-current	
Long term loans – non –current	2,964
Hire purchase obligation – non-current	402
Subtotal	3,366
Grand total	7,107

B10. Off Balance Sheet Financial Instruments

As at the date of issue of this interim financial report, there were no off balance sheet financial instruments.

B11. Material litigation

There was no pending material litigation as at the date of this quarterly report.

B12. Dividend

No interim dividend has been proposed in the current financial quarter ended 31 July 2007.

The final tax exempt dividend of 3.0sen (6.0%) [2006 : 2.4 sen (4.8%)], amounting to RM 3,000,000 (2006 : RM 2,400,000) in respect of the financial year ended 31 January 2007 has been approved by shareholders at the seventh Annual General Meeting on 27 July 2007 and has been paid on 29 August 2007 to shareholders whose name appear in the Record of Depositors on 17 August 2007.

EXPLANATORY NOTES TO INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE SECOND FINANCIAL QUARTER ENDED 31 JULY 2007

B13. Basic earnings per share

Basic earnings per share is calculated by dividing the net profit for the period by the weighted average number of ordinary shares in issue during the period held by the Company.

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.07.2007 RM'000	Preceding Year Corresponding Quarter 31.07.2006 RM'000	Current Year To Date 31.07.2007 RM'000	Preceding Year Corresponding Period 31.07.2006 RM'000
Net profit for the period	853	1,444	2,143	2,562
Weighted average number of ordinary share in issue	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Basic earnings per share (sen)	<u>0.85</u>	<u>1.44</u>	<u>2.14</u>	<u>2.60</u>

BY ORDER OF THE BOARD

KUAN HUI FANG
THAM WAI YING
Company Secretaries
26 September 2007