

QUARTERLY REPORT FOR THE SECOND FINANCIAL QUARTER ENDED 31 JULY 2011
(THESE FIGURES ARE UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31.07.2011	31.07.2010	31.07.2011	31.07.2010
	RM'000	RM'000	RM'000	RM'000
Revenue	15,837	15,839	31,589	35,943
Other income	1,098	132	1,272	498
Interest income from short-term deposits	18	-	35	-
Changes in inventories of finished goods	(160)	80	(244)	183
Raw materials and consumables used	(9,744)	(9,167)	(18,805)	(21,178)
Directors' remuneration	(320)	(318)	(633)	(629)
Staff costs	(1,726)	(1,952)	(3,511)	(4,010)
Depreciation of property, plant and equipment	(1,686)	(1,784)	(3,363)	(3,581)
Other operating expenses	(2,316)	(2,286)	(4,448)	(5,017)
Profit from operations	1,001	544	1,892	2,209
Finance costs	(19)	(25)	(56)	(53)
Profit before tax	982	519	1,836	2,156
Income tax credit / (expense)	(100)	(50)	(200)	(150)
Net Profit for the period	882	469	1,636	2,006
	Sen	Sen	Sen	Sen
Net earnings per share				
- Basic	0.88	0.47	1.64	2.01
- Diluted	-	-	-	-

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 January 2011 and the accompanying explanatory notes to the quarterly financial statements.

QUARTERLY REPORT FOR THE SECOND FINANCIAL QUARTER ENDED 31 JULY 2011
(THESE FIGURES ARE UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31.07.2011	31.01.2011
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	70,165	72,076
Total Non-Current Assets	70,165	72,076
Current Assets		
Inventories	7,251	8,008
Trade receivables	11,889	11,393
Other receivables and prepaid expenses	889	897
Short-term deposit with a licensed investment bank	2,559	2,524
Cash and bank balances	4,670	1,824
Total Current Assets	27,258	24,646
TOTAL ASSETS	97,423	96,722
EQUITY AND LIABILITES		
Capital and Reserve		
Issued capital	50,000	50,000
Reserves	27,409	29,773
Shareholders' Equity	77,409	79,773
Non-Current Liabilities		
Long term loans – non-current portion	541	733
Deferred tax liabilities	6,519	6,519
Total Non-Current Liabilities	7,060	7,252
Current Liabilities		
Trade payables	6,918	8,185
Other payables and accrued expenses	1,433	1,055
Dividend payable	4,000	-
Amount owing to directors	5	-
Bank borrowings	398	406
Tax liabilities	200	51
Total Current Liabilities	12,954	9,697
Total Liabilities	20,014	16,949
TOTAL EQUITY AND LIABILITES	97,423	96,722

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 January 2011 and the accompanying explanatory notes to the quarterly financial statements.

QUARTERLY REPORT FOR THE SECOND FINANCIAL QUARTER ENDED 31 JULY 2011
(THESE FIGURES ARE UNAUDITED)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	3 months ended	3 months ended
	31.07.2011	31.07.2010
	RM'000	RM'000
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES	4,359	3,832
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES	(1,222)	(1,242)
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES	(256)	(312)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	2,881	2,278
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	4,348	4,390
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>7,229</u>	<u>6,668</u>
Cash and cash equivalents comprises:		
Cash and Bank balances	7,229	6,668
Bank Overdraft	-	-
	<u>7,229</u>	<u>6,668</u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 January 2011 and the accompanying explanatory notes to the quarterly financial statements.

CYL CORPORATION BERHAD

(Incorporated in Malaysia)

Company No. 516143 - V

**QUARTERLY REPORT FOR THE SECOND FINANCIAL QUARTER ENDED 31 JULY 2011
(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 2010	50,000	1,504	1,956	19,592	73,052
Dividends	-	-	-	(4,000)	(4,000)
Net profit for the year	-	-	-	3,719	3,719
Other comprehensive income for the year	-	-	7,002	-	7,002
Transfer to retained earnings	-	-	(155)	155	-
Balance as of 31 January 2011	50,000	1,504	8,803	19,466	79,773
Balance as of 1 February 2011	50,000	1,504	8,803	19,466	79,773
Dividends	-	-	-	(4,000)	(4,000)
Net profit for the year	-	-	-	1,636	1,636
Surplus on revaluation reserve					
Effect of revaluation surplus applicable to deferred tax					
Transfer to retained earnings					
Balance as of 31 July 2011	50,000	1,504	8,803	17,102	77,409

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 January 2011 and the accompanying explanatory notes to the quarterly financial statements.

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EXPLANATORY NOTES TO INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE SECOND FINANCIAL QUARTER ENDED 31 JULY 2011

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 2011. 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 2011.

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 2011.

A2. Changes in Accounting Policies

The significant accounting policies and methods of computation adopted by the Group in this interim financial statements are consistent with those adopted in the most recent audited financial statements for the financial year ended 31 January 2011, except for the following new FRSs and IC Interpretations which are effective for the annual financial period beginning on or after 1 July 2011:

FRS and IC Interpretations

At the date of authorisation for issue of these financial statements, the FRSs, IC Int. and amendments to FRSs and IC Int. which were issued but not yet effective are as listed below.

FRS 124 Related Party Disclosures (revised)

Improvements to FRSs 2010

IC Int. 14	FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction (Amendments relating to prepayments of a minimum funding requirement)
IC Int. 15	Agreement for the Construction of Real Estate
IC Int. 19	Extinguish Financial Liabilities with Equity Instruments

The Directors anticipate that the abovementioned Standards and Interpretations will be adopted in the annual financial statements of the Group and the Company when they become effective and that the adoption of these Standards and Interpretations will have no material impact on the financial statements of the Group and the Company in the period of initial application.

A3. Audit Qualification of Annual Financial Statements

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

A4. Seasonal or cyclical factors

The Group's interim business operation was not materially affected by seasonal or cyclical factors for the quarter under review.

A5. 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.

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EXPLANATORY NOTES TO INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE SECOND FINANCIAL QUARTER ENDED 31 JULY 2011

A6. 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.

A7. 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 2011.

A8. Dividend

No interim dividend has been proposed in the current financial quarter ended 31 July 2011.

The final tax exempt dividend of 4.0 sen (8%) amounting to RM 4,000,000 in respect of the financial year ended 31 January 2011 has been approved by shareholders at the eleventh Annual General Meeting on 28th July 2011 and has been paid on 29th August 2011 to shareholders whose name appear in the Record of Depositors on 15th August 2011.

A9. Segmental reporting

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

A10. 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 2011.

The total additions of property, plant and equipment for the financial quarter ended 31 July 2011 amounted to RM 961,167. During the said period, there were no significant disposal of property, plant and equipment.

A11. 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 July 2011 and the date of this report.

A12. Changes in the composition of the Company

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

A13. 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 January 2011. Corporate guarantees given to banks for credit facilities granted to the subsidiary company is currently at RM 7.29 million.

**EXPLANATORY NOTES TO INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR
THE SECOND FINANCIAL QUARTER ENDED 31 JULY 2011**

A14. Capital commitments

As at 31 July 2011, 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>916</u>

A15. 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 2011

B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA LISTING REQUIREMENTS

B1. Review of performance

The Group achieved profit before tax of RM 982 thousand and revenue of RM 15.84 million for the current quarter ended 31 July 2011. In the corresponding interim period ended 31 July 2010, the profit before tax and revenue were RM 519 thousand and RM 15.84 million respectively.

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

The revenue recorded for the Group was flat as compared to the preceding financial quarter ended 30 April 2011. However, profit before tax increased by 14.99%. This is mainly due to other income from insurance claims.

B3. Prospects for the current financial year

The Board remained cautious about the Group's prospects given the uncertainty in the price of crude oil, increase in utility and labor costs and the volatility of the business.

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

The disclosure requirement is not applicable for the Group.

B5. Income tax credit / (expense)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.07.2011 RM'000	Preceding Year Corresponding Quarter 31.07.2010 RM'000	Current Year To Date 31.07.2011 RM'000	Preceding Year Corresponding Period 31.07.2010 RM'000
Estimated tax (payable) / credit				
Malaysian income tax	(100)	(50)	(200)	(150)
	<u>(100)</u>	<u>(50)</u>	<u>(200)</u>	<u>(150)</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 2011

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 2011 are as follows:

	Secured RM'000
Current	
Bank Overdraft	-
Bankers Acceptance	-
Long term loans – current	398
Hire purchase obligation – current	-
Subtotal	398
Non-current	
Long term loans – non –current	541
Hire purchase obligation – non-current	-
Subtotal	541
Grand total	939

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 2011.

The final tax exempt dividend of 4.0 sen (8%) amounting to RM 4,000,000 in respect of the financial year ended 31 January 2011 has been approved by shareholders at the eleventh Annual General Meeting on 28th July 2011 and has been paid on 29th August 2011 to shareholders whose name appear in the Record of Depositors on 15th August 2011.

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EXPLANATORY NOTES TO INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE SECOND FINANCIAL QUARTER ENDED 31 JULY 2011**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 31.07.2011 RM'000	Preceding Year Corresponding Quarter 31.07.2010 RM'000	Current Year To Date 31.07.2011 RM'000	Preceding Year Corresponding Period 31.07.2010 RM'000
Net profit for the period	882	469	1,636	2,006
Weighted average number of ordinary share in issue	100,000	100,000	100,000	100,000
Basic earnings per share (sen)	<u>0.88</u>	<u>0.47</u>	<u>1.64</u>	<u>2.01</u>

B14. Disclosure on realized and unrealized profits

On 25 March 2010, Bursa Malaysia issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of the Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses.

On 20 December 2010, Bursa Malaysia further issued guidance on the disclosure and the format required.

The breakdown of the retained profits of the Group as at 31 July 2011 and 31 January 2011, into realised and unrealised profits, pursuant to the directive, is as follows:

	Current financial period (RM'000) 31.07.2011	Current financial period (RM'000) 31.01.2011
Total retained profits / (accumulated losses) of CYL Corporation and its subsidiaries :		
- Realised	22,268	24,636
- Unrealised	(5,166)	(5,170)
Total group retained profits as per consolidated accounts	<u>17,102</u>	<u>19,466</u>