

QUARTERLY REPORT FOR THE FOURTH FINANCIAL QUARTER ENDED 31 JANUARY 2012
(THESE FIGURES ARE UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | Individual Quarter | | Cumulative Quarter | |
|---|---|--|---|---|
| | Current Year Quarter 31.01.2012 RM'000 | Preceding Year Corresponding Quarter 31.01.2011 RM'000 | Current Year To Date 31.01.2012 RM'000 | Preceding Year Corresponding Period 31.01.2011 RM'000 |
| Revenue | 14,816 | 14,911 | 61,646 | 64,778 |
| Other income | 22 | 85 | 1,336 | 1,103 |
| Interest income from short-term deposits | 16 | 14 | 61 | 24 |
| Changes in inventories of finished goods | (75) | 500 | (209) | 274 |
| Raw materials and consumables used | (8,731) | (8,894) | (36,626) | (37,598) |
| Directors' remuneration | (351) | (332) | (1,304) | (1,280) |
| Staff costs | (1,348) | (1,371) | (6,578) | (7,203) |
| Depreciation of property, plant and equipment | (1,634) | (1,664) | (6,689) | (6,997) |
| Other operating expenses | (2,051) | (1,995) | (8,551) | (8,933) |
| Profit from operations | 664 | 1,254 | 3,086 | 4,168 |
| Finance costs | (15) | (28) | (88) | (104) |
| Profit before tax | 649 | 1,226 | 2,998 | 4,064 |
| Income tax credit / (expense) | 253 | (145) | 3 | (345) |
| Net Profit for the period | 902 | 1,081 | 3,001 | 3,719 |
| | Sen | Sen | Sen | Sen |
| Net earnings per share | | | | |
| - Basic | 0.90 | 1.08 | 3.00 | 3.72 |
| - 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 FOURTH FINANCIAL QUARTER ENDED 31 JANUARY 2012
(THESE FIGURES ARE UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | 31.01.2012 RM'000 | 31.01.2011 RM'000 |
|--|----------------------|----------------------|
| ASSETS | | |
| Non-Current Assets | | |
| Property, plant and equipment | 67,752 | 72,076 |
| Total Non-Current Assets | 67,752 | 72,076 |
| Current Assets | | |
| Inventories | 7,265 | 8,008 |
| Trade receivables | 11,981 | 11,393 |
| Other receivables and prepaid expenses | 925 | 897 |
| Short-term deposit with a licensed investment bank | 4,025 | 2,524 |
| Cash and bank balances | 2,537 | 1,824 |
| Total Current Assets | 26,733 | 24,646 |
| TOTAL ASSETS | 94,485 | 96,722 |
| EQUITY AND LIABILITIES | | |
| Capital and Reserve | | |
| Issued capital | 50,000 | 50,000 |
| Reserves | 28,812 | 29,773 |
| Shareholders' Equity | 78,812 | 79,773 |
| Non-Current Liabilities | | |
| Long term loans – non-current portion | 283 | 733 |
| Deferred tax liabilities | 6,092 | 6,519 |
| Total Non-Current Liabilities | 6,375 | 7,252 |
| Current Liabilities | | |
| Trade payables | 7,366 | 8,185 |
| Other payables and accrued expenses | 1,291 | 1,055 |
| Amount owing to directors | 13 | - |
| Bank borrowings | 452 | 406 |
| Tax liabilities | 176 | 51 |
| Total Current Liabilities | 9,298 | 9,697 |
| Total Liabilities | 15,673 | 16,949 |
| TOTAL EQUITY AND LIABILITIES | 94,485 | 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 FOURTH FINANCIAL QUARTER ENDED 31 JANUARY 2012
(THESE FIGURES ARE UNAUDITED)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

| | 31.01.2012 RM'000 | 31.01.2011 RM'000 |
|--|----------------------|----------------------|
| CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES | | |
| Profit for the year | 3,001 | 3,719 |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 6,689 | 6,997 |
| Finance costs | 88 | 104 |
| Income tax (credit) recognized in income statement | (3) | 345 |
| Unrealised loss / (gain) on forex | (60) | (49) |
| Gain on disposal of property, plant and equipment | (215) | (60) |
| Insurance claim | (884) | - |
| Interest income | (61) | (24) |
| Revaluation surplus | - | (409) |
| Operating Profit Before Working Capital Changes | 8,555 | 10,623 |
| (Increase)/Decrease in: | | |
| Inventories | 743 | (1,976) |
| Trade receivables | (588) | 3,084 |
| Other receivables and prepaid expenses | (28) | (311) |
| Increase/ (Decrease) in: | | |
| Trade payables | (759) | (737) |
| Other payables and accrued expenses | 236 | (26) |
| Amount owing to directors | 13 | - |
| Cash Generated From Operations | 8,172 | 10,657 |
| Income tax paid | (261) | (360) |
| Insurance claim received | 884 | - |
| Net Cash From Operating Activities | 8,795 | 10,297 |
| CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (2,365) | (5,730) |
| Proceeds from disposal of property, plant and equipment | 215 | 60 |
| Interest received | 61 | 24 |
| Net Cash Used In Investing Activities | (2,089) | (5,646) |
| CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES | | |
| Repayment of term loans | (404) | (589) |
| Repayment of hire-purchase obligations | - | - |
| Dividend paid | (4,000) | (4,000) |
| Finance costs paid | (88) | (104) |
| Net Cash from/(Used in)Financing Activities | (4,492) | (4,693) |
| NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS | 2,214 | (42) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD | 4,348 | 4,390 |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | 6,562 | 4,348 |

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.

QUARTERLY REPORT FOR THE FOURTH FINANCIAL QUARTER ENDED 31 JANUARY 2012
(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 | - | - | - | 3,001 | 3,001 |
| Surplus on revaluation reserve | - | - | 38 | - | 38 |
| Effect of revaluation surplus applicable to deferred tax | - | - | (155) | 155 | - |
| Transfer to retained earnings | - | - | - | - | - |
| Balance as of 31 January 2012 | 50,000 | 1,504 | 8,686 | 18,622 | 78,812 |

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.

CYL CORPORATION BERHAD

(Incorporated in Malaysia)

Company No. 516143 - V

EXPLANATORY NOTES TO INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH FINANCIAL QUARTER ENDED 31 JANUARY 2012

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 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 FOURTH FINANCIAL QUARTER ENDED 31 JANUARY 2012

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 January 2012.

A8. Dividend

No interim dividend has been proposed in the current financial quarter ended 31 January 2012.

The Board of Directors has recommended a final tax exempt dividend of 8% [2011 (8%)] amounting to RM 4,000,000 in respect of the financial year ended 31 January 2012 to be approved by the shareholders at the forthcoming Annual General Meeting of the Company.

The said proposed dividend has not been included as a liability in the Financial Statements.

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 January 2012 amounted to RM 412,464. 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 January 2012 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 14.58 million.

**EXPLANATORY NOTES TO INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR
THE FOURTH FINANCIAL QUARTER ENDED 31 JANUARY 2012**

A14. Capital commitments

As at 31 January 2012, 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>3,232</u> |

A15. Significant Related Party Transactions

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

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EXPLANATORY NOTES TO INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH FINANCIAL QUARTER ENDED 31 JANUARY 2012**B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA LISTING REQUIREMENTS****B1. Review of performance**

The Group revenue for the current financial year ended 31st January 2012 decreased by RM 3.13 million as compared to financial year ended 2011. This is due to reduced orders from customers.

The Group achieved profit before tax of RM 649 thousand and revenue of RM 14.82 million for the current quarter ended 31 January 2012. In the corresponding interim period ended 31 January 2011, the profit before tax and revenue were RM 1.23 million and RM 14.91 million respectively. The decrease in consolidated profit before tax is mainly due to the higher raw material input costs together with the increase in overall operating costs.

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

The revenue recorded for the Group was lower by 2.79% as compared to the preceding financial quarter ended 31 October 2011. However, profit before tax increased by 26.51%. This is due to the reversal of accounting provisions provided during the course of the year and now no longer required.

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, overall operating 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 31.01.2012 RM'000 | Preceding Year Corresponding Quarter 31.01.2011 RM'000 | Current Year To Date 31.01.2012 RM'000 | Preceding Year Corresponding Period 31.01.2011 RM'000 |
| Estimated tax (payable) / credit | (135) | (150) | (385) | (350) |
| Deferred tax current year | 384 | 152 | 384 | 152 |
| Overprovision in prior years | 4 | (147) | 4 | (147) |
| | 253 | (145) | 3 | (345) |

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.

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EXPLANATORY NOTES TO INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH FINANCIAL QUARTER ENDED 31 JANUARY 2012**B7. Quoted investments**

Not applicable to the Group.

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 January 2012 are as follows:

| | Secured RM'000 |
|--|---------------------------|
| Current | |
| Bank Overdraft | - |
| Bankers Acceptance | - |
| Long term loans – current | 452 |
| Hire purchase obligation – current | - |
| Subtotal | 452 |
| Non-current | |
| Long term loans – non –current | 283 |
| Hire purchase obligation – non-current | - |
| Subtotal | 283 |
| Grand total | 735 |

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 January 2012.

The Board of Directors has recommended a final tax exempt dividend of 8% [2011 (8%)] amounting to RM 4,000,000 in respect of the financial year ended 31 January 2012 to be approved by the shareholders at the forthcoming Annual General Meeting of the Company.

The said proposed dividend has not been included as a liability in the Financial Statements.

EXPLANATORY NOTES TO INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH FINANCIAL QUARTER ENDED 31 JANUARY 2012

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 31.01.2012 RM'000 | Preceding Year Corresponding Quarter 31.01.2011 RM'000 | Current Year To Date 31.01.2012 RM'000 | Preceding Year Corresponding Period 31.01.2011 RM'000 |
| Net profit for the period | 902 | 1,081 | 3,001 | 3,721 |
| Weighted average number of ordinary share in issue | 100,000 | 100,000 | 100,000 | 100,000 |
| Basic earnings per share (sen) | <u>0.90</u> | <u>1.08</u> | <u>3.00</u> | <u>3.72</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 January 2012 and 31 January 2011, into realised and unrealised profits, pursuant to the directive, is as follows:

| | Current financial period (RM'000) 31.01.2012 | Current financial period (RM'000) 31.01.2011 |
|---|---|---|
| Total retained profits / (accumulated losses) of CYL Corporation and its subsidiaries : | | |
| - Realised | 23,393 | 24,636 |
| - Unrealised | (4,771) | (5,170) |
| Total group retained profits as per consolidated accounts | <u>18,622</u> | <u>19,466</u> |