

**QUARTERLY REPORT FOR THE SECOND FINANCIAL QUARTER ENDED 31 JULY 2012  
(THESE FIGURES ARE UNAUDITED)**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

|  | Individual Quarter                           |  | Cumulative Quarter                           |   |
|--|--|--|--|---|
|  | Current Year Quarter<br>31.07.2012<br>RM'000 | Preceding Year Corresponding Quarter<br>31.07.2011<br>RM'000 | Current Year To Date<br>31.07.2012<br>RM'000 | Preceding Year Corresponding Period<br>31.07.2011<br>RM'000 |
| <b>Revenue</b>                                 | 17,957                                       | 15,837   | 33,178                                       | 31,589  |
| Other income                                   | 51   | 1,098  | 122  | 1,272   |
| Interest income from short-term deposits       | 36   | 18   | 64   | 35  |
| Changes in inventories of finished goods       | (388)  | (160)  | (476)  | (244)   |
| Raw materials and consumables used             | (10,248)                                     | (9,744)  | (19,041)                                     | (18,805)  |
| Directors' remuneration                        | (329)  | (320)  | (648)  | (633)   |
| Staff costs                                    | (1,742)                                      | (1,726)  | (3,381)                                      | (3,511)   |
| Depreciation of property, plant and equipment  | (1,581)                                      | (1,686)  | (3,119)                                      | (3,363)   |
| Other operating expenses                       | (2,427)                                      | (2,316)  | (4,533)                                      | (4,448)   |
| <b>Profit from operations</b>                  | 1,329  | 1,001  | 2,166  | 1,892   |
| Finance costs                                  | (11)   | (19)   | (24)   | (56)  |
| <b>Profit before tax</b>                       | 1,318  | 982  | 2,142  | 1,836   |
| Income tax expense                             | (40)   | (100)  | (80)   | (200)   |
| <b>Net Profit for the period</b>               | 1,278  | 882  | 2,062  | 1,636   |
| <b>Other comprehensive income</b>              |  |  |  |   |
| Gain on revaluation                            | -  | -  | -  | -   |
| Deferred tax on revaluation surplus            | -  | -  | -  | -   |
| Other comprehensive income for the year        | -  | -  | -  | -   |
| <b>Total comprehensive income for the year</b> | 1,278  | 882  | 2,062  | 1,636   |
| Attributable to:                               |  |  |  |   |
| Owners of the Parent                           | 1,278  | 882  | 2,062  | 1,636   |
| Non-Controlling Interest                       | -  | -  | -  | -   |
| <b>Profit for the period</b>                   | 1,278  | 882  | 2,062  | 1,636   |
| Total comprehensive income attributable to:    |  |  |  |   |
| Owners of the Parent                           | -  | -  | -  | -   |
| Non-Controlling Interest                       | -  | -  | -  | -   |
| Net earnings per share                         |  |  |  |   |
| - Basic  | 1.28   | 0.88   | 2.06   | 1.64  |

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 January 2012 and the accompanying explanatory notes to the quarterly financial statements.

**QUARTERLY REPORT FOR THE SECOND FINANCIAL QUARTER ENDED 31 JULY 2012  
(THese FIGURES ARE UNAUDITED)**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

|  | 31.07.2012<br>RM'000 | 31.01.2012<br>RM'000 |
|--|----------------------|----------------------|
| <b>ASSETS</b>                                      |                      |                      |
| <b>Non-Current Assets</b>                          |                      |                      |
| Property, plant and equipment                      | 67,753               | 67,752               |
| <b>Total Non-Current Assets</b>                    | <b>67,753</b>        | <b>67,752</b>        |
| <b>Current Assets</b>                              |                      |                      |
| Inventories  | 5,950                | 7,265                |
| Trade receivables                                  | 13,864               | 11,981               |
| Other receivables and prepaid expenses             | 1,078                | 925                  |
| Short-term deposit with a licensed investment bank | 7,089                | 4,031                |
| Cash and bank balances                             | 1,506                | 2,531                |
| <b>Total Current Assets</b>                        | <b>29,487</b>        | <b>26,733</b>        |
| <b>TOTAL ASSETS</b>                                | <b>97,240</b>        | <b>94,485</b>        |
| <b>EQUITY AND LIABILITIES</b>                      |                      |                      |
| <b>Capital and Reserve</b>                         |                      |                      |
| Issued capital                                     | 50,000               | 50,000               |
| Reserves   | 26,874               | 28,812               |
| <b>Shareholders' Equity</b>                        | <b>76,874</b>        | <b>78,812</b>        |
| <b>Non-Current Liabilities</b>                     |                      |                      |
| Long term loans – non-current portion              | 188                  | 283                  |
| Deferred tax liabilities                           | 6,092                | 6,092                |
| <b>Total Non-Current Liabilities</b>               | <b>6,280</b>         | <b>6,375</b>         |
| <b>Current Liabilities</b>                         |                      |                      |
| Trade payables                                     | 8,174                | 7,366                |
| Other payables and accrued expenses                | 1,398                | 1,291                |
| Dividend payable                                   | 4,000                | -                    |
| Amount owing to directors                          | -                    | 13                   |
| Bank borrowings                                    | 334                  | 452                  |
| Tax liabilities                                    | 180                  | 176                  |
| <b>Total Current Liabilities</b>                   | <b>14,086</b>        | <b>9,298</b>         |
| <b>Total Liabilities</b>                           | <b>20,366</b>        | <b>15,673</b>        |
| <b>TOTAL EQUITY AND LIABILITIES</b>                | <b>97,240</b>        | <b>94,485</b>        |

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 January 2012 and the accompanying explanatory notes to the quarterly financial statements.

**QUARTERLY REPORT FOR THE SECOND FINANCIAL QUARTER ENDED 31 JULY 2012  
(THESE FIGURES ARE UNAUDITED)**

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

|  | 31.07.2012<br>RM'000 | 31.01.2012<br>RM'000 |
|--|----------------------|----------------------|
| <b>CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES</b>      |                      |                      |
| Profit for the year  | 2,062                | 3,001                |
| Adjustments for:   |                      |                      |
| Depreciation of property, plant and equipment                | 3,119                | 6,689                |
| Finance costs  | 24                   | 88                   |
| Income tax (credit) recognized in income statement           | 80                   | (3)                  |
| Unrealised loss / (gain) on forex                            | 37                   | (61)                 |
| Gain on disposal of property, plant and equipment            | (6)                  | (213)                |
| Insurance claim  | (3)                  | (884)                |
| Interest income  | (64)                 | (60)                 |
| <b>Operating Profit Before Working Capital Changes</b>       | <b>5,249</b>         | <b>8,557</b>         |
| (Increase)/Decrease in:                                      |                      |                      |
| Inventories  | 1,315                | 743                  |
| Trade receivables  | (1,883)              | (588)                |
| Other receivables and prepaid expenses                       | (848)                | (633)                |
| Increase/ (Decrease) in:                                     |                      |                      |
| Trade payables   | 771                  | (759)                |
| Other payables and accrued expenses                          | 107                  | 235                  |
| Amount owing to directors                                    | (13)                 | 13                   |
| <b>Cash Generated From Operations</b>                        | <b>4,698</b>         | <b>7,568</b>         |
| Income tax paid  | (76)                 | (260)                |
| Insurance claim received                                     | 3                    | 884                  |
| <b>Net Cash From Operating Activities</b>                    | <b>4,625</b>         | <b>8,192</b>         |
| <b>CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES</b>      |                      |                      |
| Purchase of property, plant and equipment                    | (2,425)              | (1,759)              |
| Proceeds from disposal of property, plant and equipment      | 6                    | 214                  |
| Interest received  | 64                   | 61                   |
| <b>Net Cash Used In Investing Activities</b>                 | <b>(2,355)</b>       | <b>(1,484)</b>       |
| <b>CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES</b>      |                      |                      |
| Repayment of term loans                                      | (213)                | (405)                |
| Repayment of hire-purchase obligations                       | -                    | -                    |
| Dividend paid  | -                    | (4,000)              |
| Finance costs paid   | (24)                 | (89)                 |
| <b>Net Cash from/(Used in)Financing Activities</b>           | <b>(237)</b>         | <b>(4,494)</b>       |
| <b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b> | <b>2,033</b>         | <b>2,214</b>         |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>      | <b>6,562</b>         | <b>4,348</b>         |
| <b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>            | <b>8,595</b>         | <b>6,562</b>         |

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 January 2012 and the accompanying explanatory notes to the quarterly financial statements.

**QUARTERLY REPORT FOR THE SECOND FINANCIAL QUARTER ENDED 31 JULY 2012**  
**(THESE FIGURES ARE UNAUDITED)**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

|   | Issued<br>capital<br>RM'000 | Share<br>Premium<br>RM'000 | Revaluation<br>Surplus<br>RM'000 | Unappropriated<br>profits<br>RM'000 | Total<br>RM'000 |
|---|-----------------------------|----------------------------|----------------------------------|-------------------------------------|-----------------|
| <b>Balance as of 1 February 2011</b>    | 50,000                      | 1,504                      | 8,803                            | 19,466                              | 79,773          |
| Dividends                               | -                           | -                          | -                                | (4,000)                             | (4,000)         |
| Net profit for the year                 | -                           | -                          | -                                | 3,001                               | 3,001           |
| Other comprehensive income for the year | -                           | -                          | 38                               | -                                   | 38              |
| Transfer to retained earnings           | -                           | -                          | (155)                            | 155                                 | -               |
| <b>Balance as of 31 January 2012</b>    | <b>50,000</b>               | <b>1,504</b>               | <b>8,686</b>                     | <b>18,622</b>                       | <b>78,812</b>   |
| <b>Balance as of 1 February 2012</b>    | <b>50,000</b>               | <b>1,504</b>               | <b>8,686</b>                     | <b>18,622</b>                       | <b>78,812</b>   |
| Dividends                               | -                           | -                          | -                                | (4,000)                             | (4,000)         |
| Net profit for the year                 | -                           | -                          | -                                | 2,062                               | 2,062           |
| Surplus on revaluation reserve          | -                           | -                          | -                                | -                                   | -               |
| Other comprehensive income for the year | -                           | -                          | -                                | -                                   | -               |
| Transfer to retained earnings           | -                           | -                          | -                                | -                                   | -               |
| <b>Balance as of 31 July 2012</b>       | <b>50,000</b>               | <b>1,504</b>               | <b>8,686</b>                     | <b>16,684</b>                       | <b>76,874</b>   |

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 January 2012 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 2012**

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**A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 JULY 2012 : EXPLANATORY NOTES IN COMPLIANCE TO MFRS 134 ON INTERIM FINANCIAL REPORTING**

**A1. Accounting policies and basis of preparation**

This interim financial report is unaudited and has been prepared in compliance with the requirements of MFRS 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 2012. 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 2012.

**A2. Changes in Accounting Policies**

These are the Group's condensed consolidated interim financial statements for part of the period covered by the Group's first MFRS framework annual financial statements and MFRS 1: First Time Adoption of Malaysia Financial Reporting Standards has been applied.

As the former FRSS are virtually identical to the MFRSS, adoption of most of the MFRSS applicable to the Group does not have any material financial impact to these interim financial statements.

**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.

**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 2012.

**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 2012**

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**A8. Dividend**

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

The final tax exempt dividend of 8% [2011 (8%)] amounting to RM 4,000,000 in respect of the financial year ended 31 January 2012 has been approved by the shareholders at the Twelfth Annual General Meeting on 26<sup>th</sup> July 2012 and has been paid on the 29<sup>th</sup> August 2012 to shareholders whose names appear in the Record of Depositors on 15<sup>th</sup> August 2012.

**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 2012.

The total additions of property, plant and equipment for the financial quarter ended 31 July 2012 amounted to RM 1,699 thousand. 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 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 July 2012. Corporate guarantees given to banks for credit facilities granted to the subsidiary company is currently at RM 14.58 million.

**A14. Capital commitments**

As at 31 July 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>2,104</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 2012**

**B ADDITIONAL NOTES PURSUANT TO MFRS 134**

**B1. Review of performance**

The Group revenue for the current financial quarter ended 31 July 2012 increased by RM 2.12 million as compared to corresponding quarter ended 31 July 2011.

The Group achieved profit before tax of RM 1.32 million and revenue of RM 17.96 million for the current quarter ended 31 July 2012. In the corresponding interim period ended 31 July 2011, the profit before tax and revenue were RM 0.98 million and RM 15.84 million respectively. The increase is mainly due to increase in volume of orders from customers. The marginal decrease in the price of raw materials in the current financial quarter has also contributed to the bottom line of the Company.

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

The revenue recorded for the Group was higher by 17.97% as compared to the preceding financial quarter ended 30 April 2012. Profit before tax increased by 63.01%.

**B3. Prospects for the current financial year**

The plastics manufacturing industry outlook remains competitive and challenging. Escalating raw material and operating costs in the long run may affect the Group's profit margin. The Board of Directors will continue to focus on improving production efficiency, productivity and processes to ensure a satisfactory financial performance is achieved for the current financial year.

**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<br>31.07.2012<br>RM'000 | Preceding Year Corresponding Quarter<br>31.07.2011<br>RM'000 | Current Year To Date<br>31.07.2012<br>RM'000 | Preceding Year Corresponding Period<br>31.07.2011<br>RM'000 |
| Estimated tax (payable) / credit | (40)   | (100)  | (80)   | (200)   |
|                                  | <u>(40)</u>                                  | <u>(100)</u>   | <u>(80)</u>                                  | <u>(200)</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.

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

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**B6. 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.

**B7. Group borrowings and debt securities**

Group borrowings (all denominated in Malaysian currency) as at 31 July 2012 are as follows:

|  | <b>Secured<br/>RM'000</b> |
|--|---------------------------|
| <b>Current</b>                         |                           |
| Bank Overdraft                         | -                         |
| Bankers Acceptance                     | -                         |
| Long term loans – current              | 334                       |
| Hire purchase obligation – current     | -                         |
| <b>Subtotal</b>                        | <b>334</b>                |
| <b>Non-current</b>                     |                           |
| Long term loans – non –current         | 188                       |
| Hire purchase obligation – non-current | -                         |
| <b>Subtotal</b>                        | <b>188</b>                |
| <b>Grand total</b>                     | <b>522</b>                |

**B8. Material litigation**

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

**B9. Dividend**

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

The final tax exempt dividend of 8% [2011 (8%)] amounting to RM 4,000,000 in respect of the financial year ended 31 January 2012 has been approved by the shareholders at the Twelfth Annual General Meeting on 26<sup>th</sup> July 2012 and has been paid on the 29<sup>th</sup> August 2012 to shareholders whose names appear in the Record of Depositors on 15<sup>th</sup> August 2012.



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

**B10. 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<br>31.07.2012<br>RM'000 | Preceding Year Corresponding Quarter<br>31.07.2011<br>RM'000 | Current Year To Date<br>31.07.2012<br>RM'000 | Preceding Year Corresponding Period<br>31.07.2011<br>RM'000 |
| Net profit for the period                          | 1,278  | 882  | 2,062  | 1,636   |
| Weighted average number of ordinary share in issue | 100,000                                      | 100,000  | 100,000                                      | 100,000   |
| Basic earnings per share (sen)                     | <u>1.28</u>                                  | <u>0.88</u>  | <u>2.06</u>                                  | <u>1.64</u>   |

**B11. 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 2012 and 30<sup>th</sup> April 2012, into realised and unrealised profits, pursuant to the directive, is as follows:

|   | Current financial period (RM'000)<br>31.07.2012 | Current financial period (RM'000)<br>30.04.2012 |
|---|---|---|
| Total retained profits / (accumulated losses) of CYL Corporation and its subsidiaries : |   |   |
| - Realised  | 21,552  | 24,305  |
| - Unrealised  | (4,868)   | (4,899)   |
| Total group retained profits as per consolidated accounts                               | <u>16,684</u>                                   | <u>19,406</u>                                   |