

**CYL CORPORATION BERHAD**

(Incorporated in Malaysia)

Company No. 516143 - V

**QUARTERLY REPORT FOR THE FOURTH FINANCIAL QUARTER ENDED 31 JANUARY 2019  
(THESE FIGURES ARE UNAUDITED)****STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.01.2019 RM'000	Preceding Year Corresponding Quarter 31.01.2018 RM'000	Current Year To Date 31.01.2019 RM'000	Preceding Year Corresponding Period 31.01.2018 RM'000
<b>Revenue</b>	14,289	13,384	53,267	58,628
Other income	108	228	249	584
Interest income from short-term deposits	8	47	107	176
Fair value gain on financial assets	-	6	10	6
Changes in inventories of finished goods	201	114	119	(146)
Raw materials and consumables used	(8,267)	(8,262)	(33,087)	(35,540)
Remuneration of key management personnel	(419)	(513)	(1,670)	(1,772)
Employee benefits expense	(1,457)	(1,248)	(6,291)	(6,722)
Depreciation of property, plant and equipment	(1,076)	(1,076)	(4,308)	(4,581)
Other operating expenses	(2,548)	(2,041)	(10,233)	(9,065)
<b>Profit/(Loss) from operations</b>	839	639	(1,837)	1,568
Finance costs	-	-	-	-
<b>Profit/(Loss) before tax</b>	839	639	(1,837)	1,568
Income tax credit / (expense)	(93)	(350)	(93)	(418)
<b>Net Profit/(Loss) for the period</b>	746	289	(1,930)	1,150
<b>Other comprehensive income/(loss)</b>				
Deferred tax on revaluation surplus	-	-	(654)	-
Other comprehensive income for the year	-	-	-	37
<b>Total comprehensive income/(loss) for the year</b>	746	289	(2,584)	1,187
Net earnings per share				
- Basic	0.75	0.29	(1.93)	1.15

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 January 2018 and the accompanying explanatory notes to the quarterly financial statements.

**CYL CORPORATION BERHAD**

(Incorporated in Malaysia)

Company No. 516143 - V

**QUARTERLY REPORT FOR THE FOURTH FINANCIAL QUARTER ENDED 31 JANUARY 2019  
(THESE FIGURES ARE UNAUDITED)****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>31.01.2019</b>	<b>31.01.2018</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	55,291	54,690
<b>Total Non-Current Assets</b>	<b>55,291</b>	<b>54,690</b>
<b>Current Assets</b>		
Inventories	5,667	5,441
Trade receivables	11,849	12,299
Other receivables, deposits and prepaid expenses	1,389	1,700
Short-term deposit with a licensed investment bank	3	4,544
Other investments	-	1,506
Cash and bank balances	2,278	708
<b>Total Current Assets</b>	<b>21,186</b>	<b>26,198</b>
<b>TOTAL ASSETS</b>	<b>76,477</b>	<b>80,888</b>
<b>EQUITY AND LIABILITES</b>		
<b>Capital and Reserve</b>		
Issued capital	51,504	51,504
Share premium	-	-
Reserves	13,082	14,586
(Loss) / Profit for the year	(1,930)	1,150
<b>Shareholders' Equity</b>	<b>62,656</b>	<b>67,240</b>
<b>Non-Current Liabilities</b>		
Provision for gratuity payment	1,231	1,133
Deferred tax liabilities	5,109	4,373
<b>Total Non-Current Liabilities</b>	<b>6,340</b>	<b>5,506</b>
<b>Current Liabilities</b>		
Trade payables	5,579	5,792
Other payables and accrued expenses	1,902	1,915
Dividend payable	-	-
Provision for gratuity payment	-	243
Tax liabilities	-	192
<b>Total Current Liabilities</b>	<b>7,481</b>	<b>8,142</b>
<b>Total Liabilities</b>	<b>13,821</b>	<b>13,648</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>76,477</b>	<b>80,888</b>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 January 2019 and the accompanying explanatory notes to the quarterly financial statements.

**CYL CORPORATION BERHAD**

(Incorporated in Malaysia)

Company No. 516143 - V

**QUARTERLY REPORT FOR THE FOURTH FINANCIAL QUARTER ENDED 31 JANUARY 2019  
(THESE FIGURES ARE UNAUDITED)****CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	<b>31.01.2019</b> <b>(Full Year)</b> <b>RM'000</b>	<b>31.01.2018</b> <b>(Full Year)</b> <b>RM'000</b>
<b>CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES</b>		
Profit for the year	(1,930)	1,150
Adjustments for:		
Depreciation of property, plant and equipment	4,308	4,581
Fair value gain on other investments	(10)	(6)
Income tax (credit) recognized in income statement	93	418
Unrealised loss / (gain) on forex	71	(55)
Gain on disposal of property, plant and equipment	-	(18)
Inventories written down	239	345
Interest income	(107)	(176)
Provision for gratuity payment	97	153
<b>Operating Profit Before Working Capital Changes</b>	<b>2,761</b>	<b>6,392</b>
(Increase)/Decrease in:		
Inventories	(465)	337
Trade receivables	450	1,220
Other receivables, deposits and prepayments	406	(64)
Increase/ (Decrease) in:		
Trade payables	(284)	(2,213)
Other payables and accrued expenses	(13)	157
<b>Cash Generated From Operations</b>	<b>2,855</b>	<b>5,828</b>
Income tax paid	(453)	(577)
Gratuity paid	(338)	
<b>Net Cash From Operating Activities</b>	<b>2,064</b>	<b>5,251</b>
<b>CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(4,602)	(2,054)
Refundable deposits paid for property, plant and equipment	(56)	18
Interest received	107	176
(Purchase)/sale of other investments	1,516	(1,500)
<b>Net Cash Used In Investing Activities</b>	<b>(3,035)</b>	<b>(3,360)</b>
<b>CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES</b>		
Repayment of term loans	-	-
Repayment of hire-purchase obligations	-	-
Dividend paid	(2,000)	(4,000)
<b>Net Cash from/(Used in) Financing Activities</b>	<b>(2,000)</b>	<b>(4,000)</b>
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(2,971)</b>	<b>(2,108)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>5,252</b>	<b>7,360</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>2,281</b>	<b>5,252</b>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 January 2019 and the accompanying explanatory notes to the quarterly financial statements.

**CYL CORPORATION BERHAD**

(Incorporated in Malaysia)

Company No. 516143 - V

**QUARTERLY REPORT FOR THE FOURTH FINANCIAL QUARTER ENDED 31 JANUARY 2019****(THESE FIGURES ARE UNAUDITED)****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	<b>Issued capital RM'000</b>	<b>Share Premium RM'000</b>	<b>Unappropriated profits RM'000</b>	<b>Total RM'000</b>
<b>Balance as of 1 February 2017</b>	51,504	-	18,549	70,053
Dividends	-	-	(4,000)	(4,000)
Net profit for the year	-	-	1,150	1,150
Other comprehensive income for the year	-	-	37	37
<b>Balance as of 31 January 2018</b>	<b>51,504</b>	<b>-</b>	<b>15,736</b>	<b>67,240</b>
<b>Balance as of 1 February 2018</b>	51,504	-	15,736	67,240
Dividends	-	-	(2,000)	(2,000)
Net profit/ (loss) for the year	-	-	(1,930)	(1,967)
Other comprehensive income for the year	-	-	(654)	(654)
<b>Balance as of 31 January 2019</b>	<b>51,504</b>	<b>-</b>	<b>11,152</b>	<b>62,656</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 2019 and the accompanying explanatory notes to the quarterly financial statements.

**CYL CORPORATION BERHAD**

(Incorporated in Malaysia)

Company No. 516143 - V

**QUARTERLY REPORT FOR THE FOURTH FINANCIAL QUARTER ENDED 31 JANUARY 2019  
(THESE FIGURES ARE UNAUDITED)**

---

**A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 JANUARY 2019.**

**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, paragraph 9.22 and Appendix 9B 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 2018. 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 2018.

**A2. Changes in Accounting Policies**

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards (“IFRS”) and the provisions of the Companies Act, 2016 in Malaysia.

**Adoption of new and revised MFRS**

In the current year, the Group and the Company have applied a number of amendments to MFRSs issued by the Malaysian Accounting Standards Board (“MASB”) that are mandatorily effective for accounting period that begins on or after 1 January 2018:

MFRS 9	Financial Instruments
MFRS 15	Revenue from Contracts with Customers and Clarification to MFRS 15
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The adoption of these amendments to MFRS have not affected the amounts reported in the financial statements of the Group and of the Company for the current year and prior years except as disclosed below :

**MFRS 9 Financial Instruments**

MFRS 9 Financial Instruments sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.

MFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics.

There were no measurement impacts to the carrying amount upon the adoption of MFRS 9 at the date of initial application on 1 January 2018 except for the decrease in trade receivables amounting to RM134,060 calculated using the expected credit loss (“ECL”) model.

MFRS 9 replaces the incurred loss model in MFRS 139 with an ECL model. The ECL model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

## **CYL CORPORATION BERHAD**

(Incorporated in Malaysia)

Company No. 516143 - V

### **QUARTERLY REPORT FOR THE FOURTH FINANCIAL QUARTER ENDED 31 JANUARY 2019 (THESE FIGURES ARE UNAUDITED)**

---

The Board determines the probability of default of the receivable balance based on historical collection rates. The Board evaluates and observe movement in each monthly receivable aging buckets for the past 4 years. The approach is reasonable as the risk of default percentage grows higher when the receivable is not collected and moved to next aging bucket.

#### **MFRS 15 Revenue from Contracts with Customers**

MFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers.

The core principle of MFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, MFRS 15 introduces a 5-step approach to revenue recognition:

- (a) Step 1: Identify the contract(s) with a customer.
- (b) Step 2: Identify the performance obligations in the contract.
- (c) Step 3: Determine the transaction price.
- (d) Step 4: Allocate the transaction price to the performance obligations in the contract.
- (e) Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Upon the adoption of MFRS 15 on initial application on 1 January 2018, the Board has in its assessment considered the constraining estimates whereby the entity shall include in the transaction price some or all of an amount of variable consideration estimated only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. In this instance, the Board has estimated a refund liability based on the historical return data for the past 3 years with the time frame averaging 1 month. The refund liability provided for FYE 2019 amounts to RM61,049.

#### **Accounting Standards in Issue But Not Yet Effective**

At the date of authorisation for issue of these financial statements, the new and revised Standards which were in issue but not yet effective and adopted by the Group and the Company are as listed below:

IC Interpretation 23	Uncertainty over Income Tax Payments <sup>1</sup>
Amendments to MFRSs contained in the document entitled Annual Improvements to MFRSs 2015 - 2017 Cycle <sup>1</sup>	
MFRS 16	Leases
Amendments to References to the Conceptual Framework in MFRS Standards <sup>2</sup>	

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2020, with earlier application permitted.

The abovementioned Standards and Amendments will be adopted in the annual financial statements of the Group and of the Company when they become effective and adopted. These Standards and Amendments will have no material impact on the financial statements of the Group and of 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.

**CYL CORPORATION BERHAD**

(Incorporated in Malaysia)

Company No. 516143 - V

**QUARTERLY REPORT FOR THE FOURTH FINANCIAL QUARTER ENDED 31 JANUARY 2019  
(THESE FIGURES ARE UNAUDITED)**

---

**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 January 2019.

**A8. Dividend**

A second interim tax-exempt dividend of 2.00 sen per ordinary share, amounting to RM 2,000,000 [2017 : RM 2,000,000] was paid on the 12 June 2018 to the shareholders whose names appear in the Record of Depositors on 28 May 2018. No interim dividend has been declared in the current financial quarter ended 31 January 2019.

**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 2018.

The total additions to property, plant and equipment for the financial quarter ended 31 January 2019 amounted to RM 350 thousand. During the said period, there was no significant disposal of property, plant and equipment.

**A11. Material events subsequent to the current quarter.**

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 2019 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.

**CYL CORPORATION BERHAD**

(Incorporated in Malaysia)

Company No. 516143 - V

**QUARTERLY REPORT FOR THE FOURTH FINANCIAL QUARTER ENDED 31 JANUARY 2019  
(THESE FIGURES ARE UNAUDITED)**

---

**A13. Changes in Contingent Assets and Contingent Liabilities**

There were no significant changes in contingent assets and liabilities since the last balance sheet as at 31 January 2019. Corporate guarantees given to banks for credit facilities granted to the subsidiary company is currently at RM 6.35 million.

**A14. Capital commitments**

As at 31 January 2019, the Group has the following capital expenditure relating to purchase of machinery as follows:

	<b>RM'000</b>
Approved and contracted for	<u>404</u>

**A15. Significant Related Party Transactions**

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



**CYL CORPORATION BERHAD**

(Incorporated in Malaysia)

Company No. 516143 - V

**QUARTERLY REPORT FOR THE FOURTH FINANCIAL QUARTER ENDED 31 JANUARY 2019  
(THESE FIGURES ARE UNAUDITED)****B ADDITIONAL NOTES PURSUANT TO MFRS 134****B1. Review of performance****INDIVIDUAL QUARTER**

	<b>4 months ended 31.01.2019 RM'000</b>	<b>4 months ended 31.01.2018 RM'000</b>	<b>Variance</b>	
			<b>%</b>	<b>RM'000</b>
Revenue	<u>14,289</u>	<u>13,384</u>	6.76	905
Consolidated profit before tax	839	639	31.30	200
Income tax credit/ (expense)	<u>(93)</u>	<u>(350)</u>	(73.43)	(257)
Consolidated Profit after tax	<u>746</u>	<u>289</u>	158.13	457

**CUMULATIVE QUARTER**

	<b>12 months ended 31.01.2019 RM'000</b>	<b>12 months ended 31.01.2018 RM'000</b>	<b>Variance</b>	
			<b>%</b>	<b>RM'000</b>
Revenue	<u>53,267</u>	<u>58,628</u>	(9.14)	(5,361)
Consolidated profit/(loss) before tax	(1,837)	1,568	(217.16)	(3,405)
Income tax credit/ (expense)	<u>(93)</u>	<u>(418)</u>	(77.75)	(325)
Consolidated Profit after tax	<u>(1,930)</u>	<u>1,150</u>	(267.83)	(3,080)

**(i) Current Quarter Review**

The Group revenue for the current financial quarter ended 31 January 2019 increased by RM 905 thousand when compared to corresponding quarter ended 31 January 2018.

The Group reported a profit before tax of RM 839 thousand and revenue of RM 14.29 million for the current quarter ended 31 January 2019. In the corresponding interim period ended 31 January 2018, the profit before tax and revenue were RM 639 thousand and RM 13.38 million respectively. The better performance is due to the softening of raw material prices coupled with the reversal of provisions no longer applicable for the current quarter. The increase in sales also contributed to the positive performance in the current quarter.

**(ii) 12-months review**

For the 12-month review, the Group revenue and profit before tax for corresponding period ending 31 January 2018 were higher by 9.14% and 217.16% respectively as compared to the current period. The lower performance in the current period is due to the lower overall sales/demand for the Group's products. Higher

**CYL CORPORATION BERHAD**

(Incorporated in Malaysia)

Company No. 516143 - V

**QUARTERLY REPORT FOR THE FOURTH FINANCIAL QUARTER ENDED 31 JANUARY 2019  
(THESE FIGURES ARE UNAUDITED)**

costs of raw material due to the increase in the price of crude oil and the weakening of Ringgit Malaysia contributed to the lower Group financial position as reported. The levy for foreign workers to be paid by employers effective January 2018 has also affected the financial position of the Group.

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

	3 months ended 31.01.2019 RM'000	3 months ended 31.10.2018 RM'000	Variance	
			%	RM'000
Revenue	14,289	13,222	8.07	1,067
Consolidated profit/(loss) before tax	839	(1,034)	181.14	1,873
Income tax credit / (expense)	(93)	-	100	93
Consolidated Profit after tax	746	(1,034)	172.15	1,780

As compared to the preceding quarter ended 31 October 2018, the Group recorded a higher revenue figure of RM 1.07 million reporting a profit before tax figure of RM 839 thousand.

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

The next financial year will remain competitive and challenging for the Company. The cost of raw material coupled with lower demand will inevitably affect the Group's performance. Against this backdrop, the Board will continue to focus on improving production and cost efficiency to enable the Company to continue to improve its performance.

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

The disclosure requirement is not applicable for the Group.

**B5. Income tax credit / (expense)**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.01.2019 RM'000	Preceding Year Corresponding Quarter 31.01.2018 RM'000	Current Year To Date 31.01.2019 RM'000	Preceding Year Corresponding Period 31.01.2018 RM'000
Estimated tax payable	-	(350)	-	(673)
Deferred tax	(93)	-	(93)	255
Overprovision of Deferred tax in prior year	-	-	-	-
	-	(50)	-	(418)

**CYL CORPORATION BERHAD**

(Incorporated in Malaysia)

Company No. 516143 - V

**QUARTERLY REPORT FOR THE FOURTH FINANCIAL QUARTER ENDED 31 JANUARY 2019  
(THESE FIGURES ARE UNAUDITED)**

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. 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**

The Group does not have any borrowings and debt securities as at 31 January 2019.

**B8. Material litigation**

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

**B9. Dividend**

The Board of Directors does not recommend any payment of dividend in respect of the quarter under review.

**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 31.01.2019 RM'000	Preceding Year Corresponding Quarter 31.01.2018 RM'000	Current Year To Date 31.01.2019 RM'000	Preceding Year Corresponding Period 31.01.2018 RM'000
Net profit/ (loss) for the period	746	289	(1,930)	1,150
Weighted average number of ordinary share in issue	100,000	100,000	100,000	100,000
Basic earnings per share (sen)	<u>0.75</u>	<u>0.29</u>	<u>(1.93)</u>	<u>1.15</u>