

**QUARTERLY REPORT FOR THE SECOND FINANCIAL QUARTER ENDED 31 JULY 2020**  
**(THESE FIGURES ARE UNAUDITED)**

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.07.2020 RM'000	Preceding Year Corresponding Quarter 31.07.2019 RM'000	Current Year To Date 31.07.2020 RM'000	Preceding Year Corresponding Period 31.07.2019 RM'000
<b>Revenue</b>	10,274	11,092	19,187	22,950
Other income	256	96	508	172
Interest income from short-term deposits	42	19	90	33
Fair value gain on financial assets	-	15	-	15
Changes in inventories of finished goods	31	62	419	(22)
Raw materials and consumables used	(4,748)	(6,112)	(9,356)	(12,210)
Remuneration of key management personnel	(395)	(429)	(800)	(837)
Employee benefits expense	(1,324)	(1,530)	(2,632)	(3,143)
Depreciation of property, plant and equipment	(858)	(1,046)	(1,730)	(2,119)
Other operating expenses	(2,509)	(2,164)	(4,498)	(4,340)
<b>Loss)/Profit from operations</b>	<b>769</b>	<b>3</b>	<b>1,188</b>	<b>499</b>
Finance costs	-	-	-	-
<b>(Loss)/Profit before tax</b>	<b>769</b>	<b>3</b>	<b>1,188</b>	<b>499</b>
Income tax expense	(150)	-	(150)	-
<b>Net (loss)/profit for the period</b>	<b>619</b>	<b>3</b>	<b>1,038</b>	<b>499</b>
<b>Other comprehensive income/(loss)</b>				
Deferred tax on revaluation surplus	-	-	-	-
Other comprehensive income for the year	-	-	-	-
<b>Total comprehensive (loss)/income for the year</b>	<b>619</b>	<b>3</b>	<b>1,038</b>	<b>499</b>
Net earnings per share				
- Basic	0.62	0.03	1.04	0.50

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 January 2020 and the accompanying explanatory notes to the quarterly financial statements.

**QUARTERLY REPORT FOR THE SECOND FINANCIAL QUARTER ENDED 31 JULY 2020**  
**(THESE FIGURES ARE UNAUDITED)**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>31.07.2020</b>	<b>31.01.2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	53,206	54,542
Transferable golf club membership	85	85
<b>Total Non-Current Assets</b>	<b>53,291</b>	<b>54,627</b>
<b>Current Assets</b>		
Inventories	7,063	5,870
Trade receivables	9,692	6,575
Right to returned goods assets	16	16
Other receivables, deposits and prepaid expenses	954	243
Current tax asset	39	276
Short-term deposit with a licensed investment bank	6,025	6,324
Cash and bank balances	707	1,110
<b>Total Current Assets</b>	<b>24,496</b>	<b>20,414</b>
<b>TOTAL ASSETS</b>	<b>77,787</b>	<b>75,041</b>
<b>EQUITY AND LIABILITES</b>		
<b>Capital and Reserve</b>		
Issued capital	51,504	51,504
Reserves	12,275	12,117
Profit/(Loss) for the year	1,038	158
<b>Shareholders' Equity</b>	<b>64,817</b>	<b>63,779</b>
<b>Non-Current Liabilities</b>		
Provision for gratuity payment	415	415
Deferred tax liabilities	5,226	5,226
<b>Total Non-Current Liabilities</b>	<b>5,641</b>	<b>5,641</b>
<b>Current Liabilities</b>		
Trade payables	3,899	2,779
Other payables and accrued expenses	2,921	1,983
Refund liability	26	26
Amount owing to director	14	14
Provision for gratuity payment	319	819
Tax liabilities	150	-
<b>Total Current Liabilities</b>	<b>7,329</b>	<b>5,621</b>
<b>Total Liabilities</b>	<b>12,970</b>	<b>11,262</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>77,787</b>	<b>75,041</b>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 January 2020 and the accompanying explanatory notes to the quarterly financial statements.

**QUARTERLY REPORT FOR THE SECOND FINANCIAL QUARTER ENDED 31 JULY 2020**  
**(THESE FIGURES ARE UNAUDITED)**

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	<b>31.07.2020</b>	<b>31.01.2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES</b>		
Profit before tax	1,038	477
Adjustments for:		
Depreciation of property, plant and equipment	1,730	3,811
Unwinding of discount	-	39
Changes in allowance for doubtful debts	-	(64)
Unrealised (gain)/loss on forex	(13)	20
Finance costs	-	-
Inventories written down	213	402
Interest income	(90)	(130)
Provision for gratuity payment	-	45
<b>Operating Profit Before Working Capital Changes</b>	<b>2,878</b>	<b>4,600</b>
(Increase)/Decrease in:		
Inventories	(1,406)	(605)
Trade receivables	(3,117)	5,360
Right to returned goods assets	-	22
Other receivables, deposits and prepayments	(427)	132
Increase/ (Decrease) in:		
Trade payables	1,133	(2,847)
Other payables and accrued expenses	1,088	49
Refund liability	-	(35)
Directors	-	-
<b>Cash Generated From Operations</b>	<b>149</b>	<b>6,676</b>
Income tax paid	(47)	(193)
Gratuity paid	(500)	-
<b>Net Cash Generated From Operating Activities</b>	<b>(398)</b>	<b>6,483</b>
<b>CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(394)	(957)
Interest received	90	130
Refundable deposits paid for property, plant and equipment	-	(45)
<b>Net Cash Used In Investing Activities</b>	<b>(304)</b>	<b>(872)</b>
<b>CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES</b>		
Dividend paid	-	(500)
<b>Net Cash Used in Financing Activities</b>	<b>-</b>	<b>(500)</b>
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(702)</b>	<b>5,111</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>7,434</b>	<b>2,323</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>6,732</b>	<b>7,434</b>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 January 2020 and the accompanying explanatory notes to the quarterly financial statements.

**CYL CORPORATION BERHAD**  
(Incorporated in Malaysia)  
Registration No.: 2000010113537 (516143-V)

**QUARTERLY REPORT FOR THE SECOND FINANCIAL QUARTER ENDED 31 JULY 2020**  
**(THESE FIGURES ARE UNAUDITED)**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	<b>Issued capital RM'000</b>	<b>Unappropriated profits RM'000</b>	<b>Total RM'000</b>
<b>Balance as of 1 February 2019</b>	51,504	12,580	64,084
Dividends	-	(500)	(500)
Profit for the year	-	158	158
Other comprehensive income for the year	-	37	37
<b>Balance as of 31 January 2020</b>	51,504	12,275	63,779
<b>Balance as of 1 February 2020</b>	51,504	12,275	63,779
Dividends	-	-	-
Profit for the year	-	1,038	1,038
Other comprehensive income for the year	-	-	-
<b>Balance as of 31 July 2020</b>	51,504	13,313	64,817

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 January 2020 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 2020  
(THESE FIGURES ARE UNAUDITED)**

**A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 JULY 2020.  
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 2020. 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 2020.

**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 standard, IC Interpretation and amendments to MFRSs issued by the Malaysian Accounting Standards Board (“MASB”) that are mandatorily effective for accounting period that begins on or after 1 February 2020:

- Amendments to MFRS 3: Definition of a Business
- Amendments to MFRS 101 and MFRS 108: Definition of Material;
- Amendments to References to the Conceptual Framework in MFRS Standards
- Amendments to MFRS 9, MFRS 139 and MFRS 7, Interest Rate Benchmark Reform

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.

**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:

***Standard and amendments effective for annual periods beginning on or after 1 June 2020, 1 January 2022<sup>1</sup> and 1 January 2023<sup>2</sup>, with earlier application permitted:***

- Amendments to MFRS 101 and MFRS 108: <sup>2</sup>Classification of Liabilities as Current or Non-Current
- Amendments to MFRS 16: <sup>1</sup>Covid-19-Related Rent Concessions
- Amendments to MFRS 3: Reference to the Conceptual Framework
- Amendments to MFRS 116: Proceeds before Intended Use
- Amendments to MFRS 137: Costs of Fulfilling a Contract
- Amendments to MFRSs contained in the document “*Annual Improvements to MFRS Standards 2018-2020*”
- Amendments to MFRS 17, <sup>2</sup>Insurance Contracts

The abovementioned Standards and Amendments will be adopted in the annual financial statements of the Group and of the Company when they become effective. 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.

**QUARTERLY REPORT FOR THE SECOND FINANCIAL QUARTER ENDED 31 JULY 2020**  
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**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 2020.

**A8. Dividend**

No interim dividend has been declared in the current financial quarter ended 31 July 2020.

**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 2020.

The total additions to property, plant and equipment for the financial quarter ended 31 July 2020 amounted to RM321 thousand. During the said period, there was no significant disposal of property, plant and equipment.

**QUARTERLY REPORT FOR THE SECOND FINANCIAL QUARTER ENDED 31 JULY 2020**  
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**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 July 2020 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 balance sheet as at 31 July 2020. Corporate guarantees given to banks for credit facilities granted to the subsidiary company is currently at RM 7.55 million.

**A14. Capital commitments**

As at 31 July 2020, the Group has the following capital expenditure relating to purchase of machinery as follows:

	<b>RM'000</b>
Approved and contracted for	<u>2,271</u>

**A15. Significant Related Party Transactions**

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

**QUARTERLY REPORT FOR THE SECOND FINANCIAL QUARTER ENDED 31 JULY 2020**  
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**B ADDITIONAL NOTES PURSUANT TO MFRS 134**

**B1. Review of performance**

**INDIVIDUAL QUARTER**

	3 months ended	3 months ended	Variance	
	31.07.2020	31.07.2019	%	RM'000
	RM'000	RM'000		
Revenue	10,274	11,092	(7.37)	(818)
Consolidated (loss)/profit before tax	769	3	25,533.33	766
Income tax expense	(150)	-	100.00	150
Consolidated (loss)/profit after tax	619	3	20,533.33	616

**CUMULATIVE QUARTER**

	6 months ended	6 months ended	Variance	
	31.07.2020	31.07.2019	%	RM'000
	RM'000	RM'000		
Revenue	19,187	22,950	(16.40)	(3,763)
Consolidated profit/(loss) before tax	1,188	499	138.08	689
Income tax expense	(150)	-	100.00	150
Consolidated loss after tax	1,038	499	108.02	539

(i) Current Quarter Review

The Group revenue for the current financial quarter ended 31 July 2020 decreased by RM818 thousand when compared to corresponding quarter ended 31 July 2019.

The Group reported a profit before tax of RM769 thousand and revenue of RM10.27 million for the current quarter ended 31 July 2020. In the corresponding interim period ended 31 July 2019, the Group reported a profit before tax of RM3 thousand and revenue of RM11.09 million respectively. The better performance is due to cost control initiated by management coupled with the lower costs of resin which is the Group's main cost driver.

(ii) 6-month review

For the 6-month review, the Group revenue was lower by 16.40% as compared to corresponding period ended 31 July 2019. However, profit before tax increased by 138.08%. The better performance is due to cost control initiated by management coupled with the lower costs of resin which is the Group's main cost driver.

**QUARTERLY REPORT FOR THE SECOND FINANCIAL QUARTER ENDED 31 JULY 2020  
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**B2. Material change in the quarterly results compared to preceding quarter's results**

	3 months ended 31.07.2020	3 months ended 30.04.2020	Variance	
	RM'000	RM'000	%	RM'000
Revenue	10,274	8,913	15.27	1,361
Consolidated (loss)/profit before tax	769	419	83.53	350
Income tax expense	(150)	-	100.00	150
Consolidated (loss)/profit after tax	619	419	47.73	200

As compared to the preceding quarter ended 30 April 2020, the Group recorded a higher revenue figure of RM1.36 million with a subsequent increase in profit before tax of RM350 thousand. The increase in performance reported is mainly due to the increase in sales garnered during the quarter.

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

The current financial year will remain competitive and extremely challenging for the Group. The global economy is experiencing increased volatility of unprecedented levels in the wake of heightened fears of the spread of coronavirus ("Covid-19"). The Group will be able to maintain sufficient liquidity to enable it to meet its liabilities as and when they fall due. However, the full effect of the pandemic could not be ascertained at this juncture. The uncertainty in crude oil price and the volatility of the local currency vis the US dollar will have a direct effect on the cost of raw material. Against this backdrop, the Board will continue to focus on improving productivity and 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 expense**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.07.2020 RM'000	Preceding Year Corresponding Quarter 31.07.2019 RM'000	Current Year To Date 31.07.2020 RM'000	Preceding Year Corresponding Period 31.07.2019 RM'000
Estimated tax payable	150	-	150	-
Deferred tax	-	-	-	-
Over/(Underprovision) of deferred tax in prior year	-	-	-	-
	<u>150</u>	<u>-</u>	<u>150</u>	<u>-</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.

**QUARTERLY REPORT FOR THE SECOND FINANCIAL QUARTER ENDED 31 JULY 2020**  
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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**

The Group does not have any borrowings and debt securities as at 31 July 2020.

**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.

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current Year Quarter 31.07.2020 RM'000</b>	<b>Preceding Year Corresponding Quarter 31.07.2019 RM'000</b>	<b>Current Year To Date 31.07.2020 RM'000</b>	<b>Preceding Year Corresponding Period 31.07.2019 RM'000</b>
Net (loss)/profit for the period	619	3	1,038	499
Weighted average number of ordinary share in issue	100,000	100,000	100,000	100,000
Basic earnings per share (sen)	<u>0.62</u>	<u>0.03</u>	<u>1.04</u>	<u>0.50</u>