

QUARTERLY REPORT FOR THE FIRST FINANCIAL QUARTER ENDED 30 APRIL 2021
(THESE FIGURES ARE UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.04.2021 RM'000	Preceding Year Corresponding Quarter 30.04.2020 RM'000	Current Year To Date 30.04.2021 RM'000	Preceding Year Corresponding Period 30.04.2020 RM'000
Revenue	12,665	8,913	12,665	8,913
Other income	185	252	185	252
Interest income from short-term deposits	26	48	26	48
Fair value gain on financial assets	-	-	-	-
Changes in inventories of finished goods	(196)	388	(196)	388
Raw materials and consumables used	(6,768)	(4,608)	(6,768)	(4,608)
Remuneration of key management personnel	(525)	(405)	(525)	(405)
Employee benefits expense	(1,325)	(1,308)	(1,325)	(1,308)
Depreciation of property, plant and equipment	(789)	(872)	(789)	(872)
Other operating expenses	(3,413)	(1,989)	(3,413)	(1,989)
Loss)/Profit from operations	(140)	419	(140)	419
Finance costs	-	-	-	-
(Loss)/Profit before tax	(140)	419	(140)	419
Income tax expense	-	-	-	-
Net (loss)/profit for the period	(140)	419	(140)	419
Other comprehensive income/(loss)				
Deferred tax on revaluation surplus	-	-	-	-
Other comprehensive income for the year	-	-	-	-
Total comprehensive (loss)/income for the year	(140)	419	(140)	419
Net earnings per share				
- Basic	(0.14)	0.42	(0.14)	0.42

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 January 2021 and the accompanying explanatory notes to the quarterly financial statements.

QUARTERLY REPORT FOR THE FIRST FINANCIAL QUARTER ENDED 30 APRIL 2021
(THESE FIGURES ARE UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30.04.2021	31.01.2021
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	54,082	52,996
Transferable golf club membership	85	85
Total Non-Current Assets	54,167	53,081
Current Assets		
Inventories	6,562	7,460
Trade receivables	9,543	8,485
Right to returned goods assets	45	45
Other receivables, deposits and prepaid expenses	235	882
Current tax asset	564	376
Short-term deposit with a licensed investment bank	5,610	6,084
Cash and bank balances	807	1,301
Total Current Assets	23,366	24,633
TOTAL ASSETS	77,533	77,714
EQUITY AND LIABILITIES		
Capital and Reserve		
Issued capital	51,504	51,504
Reserves	13,418	11,775
Profit/(Loss) for the year	(140)	1,643
Shareholders' Equity	64,782	64,922
Non-Current Liabilities		
Provision for gratuity payment	327	327
Deferred tax liabilities	5,042	5,042
Total Non-Current Liabilities	5,369	5,369
Current Liabilities		
Trade payables	5,174	4,869
Other payables and accrued expenses	2,078	2,420
Refund liability	56	56
Amount owing to director	14	18
Provision for gratuity payment	60	60
Tax liabilities	-	-
Total Current Liabilities	7,382	7,423
Total Liabilities	12,751	12,792
TOTAL EQUITY AND LIABILITIES	77,533	77,714

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 January 2021 and the accompanying explanatory notes to the quarterly financial statements.

QUARTERLY REPORT FOR THE FIRST FINANCIAL QUARTER ENDED 30 APRIL 2021
(THESE FIGURES ARE UNAUDITED)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	30.04.2021	31.01.2021
	RM'000	RM'000
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES		
Profit before tax	(140)	1,501
Adjustments for:		
Depreciation of property, plant and equipment	789	3,357
Unwinding of discount	-	(29)
Changes in allowance for doubtful debts	-	188
Unrealised (gain)/loss on forex	(12)	20
Gain on disposal of PPE	-	(40)
PPE written down	-	123
Inventories written down	859	460
Interest income	(26)	(150)
Provision for gratuity payment	-	(15)
Operating Profit Before Working Capital Changes	1,470	5,415
(Increase)/Decrease in:		
Inventories	39	(2,050)
Trade receivables	(1,058)	(1,910)
Right to returned goods assets	-	(29)
Other receivables, deposits and prepayments	647	(305)
Increase/ (Decrease) in:		
Trade payables	317	2,090
Other payables and accrued expenses	(342)	443
Refund liability	-	29
Directors	(4)	-
Cash Generated From Operations	1,069	(1,732)
Tax refund	-	-
Income tax paid	(188)	(141)
Gratuity paid	-	(804)
Net Cash Generated From Operating Activities	881	2,738
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		
Purchase of PPE	(1,875)	(1,889)
Proceeds for disposal of PPE	-	40
Interest received	26	150
Refundable deposits paid for PPE	-	(588)
Net Cash Used In Investing Activities	(1,849)	(2,287)
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES		
Dividend paid	-	(500)
Net Cash Used in Financing Activities	-	(500)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	(968)	(49)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	7,385	7,434
CASH AND CASH EQUIVALENTS AT END OF PERIOD	6,417	7,385

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 FIRST FINANCIAL QUARTER ENDED 30 APRIL 2021
(THESE FIGURES ARE UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued capital RM'000	Unappropriated profits RM'000	Total RM'000
Balance as of 1 February 2020	51,504	12,275	63,779
Dividends	-	(500)	(500)
Profit for the year	-	1,606	1,606
Other comprehensive income for the year	-	37	37
Balance as of 31 January 2021	51,504	13,418	64,922
Balance as of 1 February 2021	51,504	13,418	64,922
Dividends	-	-	-
Profit for the year	-	(140)	(140)
Other comprehensive income for the year	-	-	-
Balance as of 30 April 2021	51,504	13,278	64,782

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 January 2021 and the accompanying explanatory notes to the quarterly financial statements.

CYL CORPORATION BERHAD

(Incorporated in Malaysia)
Company No. 516143 - V

QUARTERLY REPORT FOR THE FIRST FINANCIAL QUARTER ENDED 30 APRIL 2021 (THESE FIGURES ARE UNAUDITED)

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 APRIL 2021.

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 2021. 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 2021.

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 2021:

- Amendments to MFRS 16: Covid-19-Related Rent Concessions
- Amendments to MFRSs contained in the document “*Annual Improvements to MFRS Standards 2018-2020*”

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 January 2022¹ and 1 January 2023², with earlier application permitted:

- Amendments to MFRS 101 and MFRS 108: ²Classification of Liabilities as Current or Non-Current; ²Disclosure of Accounting Policies; ²Definition of Accounting Estimates
- Amendments to MFRS 17, ²Insurance Contracts
- Amendments to MFRS 112, ²Income Taxes

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 FIRST FINANCIAL QUARTER ENDED 30 APRIL 2021
(THESE FIGURES ARE UNAUDITED)**

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 30 April 2021.

A8. Dividend

No interim dividend has been declared in the current financial quarter ended 30 April 2021.

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 2021.

The total additions to property, plant and equipment for the financial quarter ended 30 April 2021 amounted to RM1.87 million. During the said period, there was no significant disposal of property, plant and equipment.

QUARTERLY REPORT FOR THE FIRST FINANCIAL QUARTER ENDED 30 APRIL 2021
(THESE FIGURES ARE UNAUDITED)

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 30 April 2021 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 30 April 2021. Corporate guarantees given to banks for credit facilities granted to the subsidiary company is currently at RM6.85 million.

A14. Capital commitments

As at 30 April 2021, the Group has the following capital expenditure relating to purchase of machinery as follows:

	RM'000
Approved and contracted for	<u>264</u>

A15. Significant Related Party Transactions

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

QUARTERLY REPORT FOR THE FIRST FINANCIAL QUARTER ENDED 30 APRIL 2021
(THESE FIGURES ARE UNAUDITED)

B ADDITIONAL NOTES PURSUANT TO MFRS 134

B1. Review of performance
INDIVIDUAL QUARTER

	3 months ended	3 months ended	Variance	
	30.04.2021	30.04.2020	%	RM'000
	RM'000	RM'000		
Revenue	12,665	8,913	42.09	3,752
Consolidated (loss)/profit before tax	(140)	419	(133.41)	(559)
Income tax (expense)/credit	-	-	-	-
Consolidated (loss)/profit after tax	(140)	419	(133.41)	(559)

CUMULATIVE QUARTER

	3 months ended	3 months ended	Variance	
	30.04.2021	30.04.2020	%	RM'000
	RM'000	RM'000		
Revenue	12,665	8,913	42.09	3,752
Consolidated profit before tax	(140)	419	(133.41)	(559)
Income tax (expense)/credit	-	-	-	-
Consolidated profit after tax	(140)	419	(133.41)	(559)

(i) Current Quarter Review

The Group revenue for the current financial quarter ended 30 April 2021 increased by RM3.75 million when compared to corresponding quarter ended 30 April 2020.

The Group reported a revenue of RM12.66 million and managed to achieve an operational profit before tax of RM685 thousand. The better performance is due to the higher revenue achieved during the current quarter. However, the Group will be reporting a loss of RM140 thousand due to the write off pertaining to inventory.

In the corresponding interim period ended 30 April 2020, the Group reported a profit of RM419 thousand and revenue of RM8.91 million respectively.

(ii) 3-month review

For the 3-month review, the Group revenue was higher by 42.00% as compared to corresponding period ended 30 April 2020 achieving an operational profit before tax of RM685 thousand. The better performance is due to the higher revenue achieved during the current quarter. However, the Group will be reporting a loss of RM140 thousand due to the write off pertaining to inventory.

**QUARTERLY REPORT FOR THE FIRST FINANCIAL QUARTER ENDED 30 APRIL 2021
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B2. Material change in the quarterly results compared to preceding quarter's results

	3 months ended 30.04.2021 RM'000	3 months ended 31.01.2021 RM'000	Variance	
			%	RM'000
Revenue	12,665	10,094	25.47	2,571
Consolidated (loss)/profit before tax	(140)	(311)	(54.98)	(171)
Income tax (expense)/credit	-	406	(100.00)	(406)
Consolidated (loss)/profit after tax	(140)	95	(1,084.21)	(1,030)

As compared to the preceding quarter ended 31 January 2021, the Group recorded a higher revenue figure of RM2.57 million with a decrease in consolidated loss of RM171 thousand. Operationally, the Group achieved a profit before tax of RM685 thousand. The better performance is due to the higher revenue achieved during the current quarter. However, the Group will be reporting a loss of RM140 thousand due to the write off pertaining to inventory.

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 Enhanced Movement Control Order ("EMCO") mandated by the Government beginning 3 July 2021, 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 30.04.2021 RM'000	Preceding Year Corresponding Quarter 30.04.2020 RM'000	Current Year To Date 30.04.2021 RM'000	Preceding Year Corresponding Period 30.04.2020 RM'000
Estimated tax (payable)/credit	-	-	-	-
Deferred tax	-	-	-	-
Over/(Underprovision) of deferred tax in prior year	-	-	-	-
	-	-	-	-

**QUARTERLY REPORT FOR THE FIRST FINANCIAL QUARTER ENDED 30 APRIL 2021
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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 30 April 2021.

B8. Material litigation

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

B9. Dividend

No interim dividend has been declared in the current financial quarter ended 30 April 2021.

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 30.04.2021 RM'000	Preceding Year Corresponding Quarter 30.04.2020 RM'000	Current Year To Date 30.04.2021 RM'000	Preceding Year Corresponding Period 30.04.2020 RM'000
Net (loss)/profit for the period	(140)	419	(140)	419
Weighted average number of ordinary share in issue	100,000	100,000	100,000	100,000
Basic earnings per share (sen)	<u>(0.14)</u>	<u>0.42</u>	<u>(0.14)</u>	<u>0.42</u>