

QUARTERLY REPORT FOR THE THIRD FINANCIAL QUARTER ENDED 31 OCTOBER 2022
(THESE FIGURES ARE UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.10.2022 RM'000	Preceding Year Corresponding Quarter 31.10.2021 RM'000	Current Year To Date 31.10.2022 RM'000	Preceding Year Corresponding Period 31.10.2021 RM'000
Revenue	10,645	12,056	35,108	35,910
Other income	157	33	340	284
Interest income from short-term deposits	26	24	66	74
Changes in loss allowance	-	-	-	-
Changes in inventories of finished goods	(234)	495	900	(54)
Raw materials and consumables used	(5,752)	(7,817)	(20,811)	(21,073)
Remuneration of key management personnel	(520)	(535)	(1,556)	(1,612)
Employee benefits expense	(1,413)	(1,616)	(4,154)	(4,544)
Depreciation of property, plant and equipment	(687)	(765)	(2,128)	(2,320)
Other operating expenses	(2,476)	(4)	(7,685)	(5,814)
Profit/(Loss) from operations	(254)	1,871	80	851
Finance costs	-	-	-	-
Profit/(Loss) before tax	(254)	1,871	80	851
Tax (expense) / income	85	578	-	578
Net (loss)/profit for the period	(169)	2,449	80	1,429
Other comprehensive income/(loss)				
Deferred tax on revaluation surplus	-	-	-	-
Other comprehensive income for the year	-	-	-	-
Total comprehensive (loss)/income for the year	(169)	2,449	80	1,429
Net earnings per share				
- Basic	(0.17)	2.45	0.08	1.43

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 January 2022 and the accompanying explanatory notes to the quarterly financial statements.

QUARTERLY REPORT FOR THE THIRD FINANCIAL QUARTER ENDED 31 OCTOBER 2022
(THESE FIGURES ARE UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31.10.2022	31.01.2022
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	50,869	52,486
Transferable golf club membership	85	85
Total Non-Current Assets	50,954	52,571
Current Assets		
Inventories	5,444	4,253
Trade receivables	8,422	10,256
Right to returned goods assets	77	77
Other receivables, deposits and prepaid expenses	367	500
Current tax asset	836	723
Short-term deposit with a licensed investment bank	6,748	6,181
Cash and bank balances	764	846
Total Current Assets	22,658	22,836
TOTAL ASSETS	73,612	75,407
EQUITY AND LIABILITIES		
Capital and Reserve		
Issued capital	51,504	51,504
Reserves	12,008	10,618
Profit/(Loss) for the year	80	1,390
Shareholders' Equity	63,592	63,512
Non-Current Liabilities		
Provision for gratuity payment	338	338
Deferred tax liabilities	5,506	5,506
Total Non-Current Liabilities	5,844	5,844
Current Liabilities		
Trade payables	2,796	4,445
Other payables and accrued expenses	1,164	1,381
Refund liability	96	96
Amount owing to director	14	23
Provision for gratuity payment	106	106
Dividend payable	-	-
Total Current Liabilities	4,176	6,051
Total Liabilities	10,020	11,895
TOTAL EQUITY AND LIABILITIES	73,612	75,407

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 January 2022 and the accompanying explanatory notes to the quarterly financial statements.

QUARTERLY REPORT FOR THE THIRD FINANCIAL QUARTER ENDED 31 OCTOBER 2022
(THESE FIGURES ARE UNAUDITED)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	31.10.2022	31.01.2022
	RM'000	RM'000
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES		
Profit before tax	80	1,218
Adjustments for:		
Depreciation of property, plant and equipment	2,128	3,080
Unwinding of discount	-	(16)
Changes in allowance for doubtful debts	-	(209)
Unrealised (gain)/loss on forex	14	(9)
Gain on disposal of PPE	(35)	(10)
PPE written down	-	1
Inventories written down	-	32
Interest income	(66)	(97)
Provision for gratuity payment	-	72
Operating Profit Before Working Capital Changes	2,121	4,062
(Increase)/Decrease in:		
Inventories	(1,191)	1,375
Trade receivables	1,834	(1,626)
Right to returned goods assets	-	(32)
Other receivables, deposits and prepayments	20	(140)
Increase/ (Decrease) in:		
Trade payables	(1,663)	(425)
Other payables and accrued expenses	(217)	(1,027)
Refund liability	-	40
Directors	(9)	-
Cash Generated From Operations	895	2,227
Income tax (paid)/refund	-	289
Gratuity paid	-	-
Net Cash Generated From Operating Activities	895	2,516
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		
Purchase of PPE	(511)	(1,981)
Proceeds for disposal of PPE	35	10
Interest received	66	97
Refundable deposits paid for PPE	-	-
Net Cash Used In Investing Activities	(410)	(1,874)
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES		
Dividend paid	-	(1,000)
Net Cash Used in Financing Activities	-	(1,000)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	485	(358)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	7,027	7,385
CASH AND CASH EQUIVALENTS AT END OF PERIOD	7,512	7,027

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 January 2022 and the accompanying explanatory notes to the quarterly financial statements.

CYL CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No.: 200001013537 (516143-V)

QUARTERLY REPORT FOR THE THIRD FINANCIAL QUARTER ENDED 31 OCTOBER 2022**(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 2021 (as restated)	51,504	11,618	63,122
Dividends	-	(1,000)	(1,000)
Profit for the year	-	1,353	1,353
Other comprehensive income for the year	-	37	37
Balance as of 31 January 2022	51,504	12,008	63,512
Balance as of 1 February 2022	51,504	12,008	63,512
Dividends	-	-	-
Profit for the year	-	80	80
Other comprehensive income for the year	-	-	-
Balance as of 31 October 2022	51,504	12,088	63,592

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 January 2022 and the accompanying explanatory notes to the quarterly financial statements.

QUARTERLY REPORT FOR THE THIRD FINANCIAL QUARTER ENDED 31 OCTOBER 2022
(THESE FIGURES ARE UNAUDITED)

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 OCTOBER 2022.

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 2022. 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 2022.

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 2022:

- 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 2024¹, 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 : Initial Application of MFRS 17 & MFRS 9 – Comparative Information
- Amendments to MFRS 112, ²Income Taxes
- Amendmenst to MFRS 16 Leases, ¹Lease Liability in Sales and Leaseback

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 THIRD FINANCIAL QUARTER ENDED 31 OCTOBER 2022
(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 31 October 2022.

A8. Dividend

No interim dividend has been declared in the current financial quarter ended 31 October 2022.

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 2022.

The total additions to property, plant and equipment for the financial quarter ended 31 October 2022 amounted to RM415 thousand. During the said period, there was no significant disposal of property, plant and equipment.

QUARTERLY REPORT FOR THE THIRD FINANCIAL QUARTER ENDED 31 OCTOBER 2022
(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 31 October 2022 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 October 2022. Corporate guarantees given to banks for credit facilities granted to the subsidiary company is currently at RM6.85 million.

A14. Capital commitments

As at 31 October 2022, the Group has the following capital expenditure relating to purchase of machinery as follows:

	RM'000
Approved and contracted for	<u>27</u>

A15. Significant Related Party Transactions

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

QUARTERLY REPORT FOR THE THIRD FINANCIAL QUARTER ENDED 31 OCTOBER 2022
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B ADDITIONAL NOTES PURSUANT TO MFRS 134

B1. Review of performance
INDIVIDUAL QUARTER

	3 months ended	3 months ended	Variance	
	31.10.2022	31.10.2021	%	RM'000
	RM'000	RM'000		
Revenue	<u>10,645</u>	<u>12,056</u>	(11.70)	(1,411)
Consolidated (loss)/profit before tax	(254)	1,871	(113.57)	(2,125)
Income tax (expense)/credit	<u>85</u>	<u>578</u>	(85.29)	(493)
Consolidated (loss)/profit after tax	<u>(169)</u>	<u>2,449</u>	(106.90)	(2,618)

CUMULATIVE QUARTER

	9 months ended	9 months ended	Variance	
	31.10.2022	31.10.2021	%	RM'000
	RM'000	RM'000		
Revenue	<u>35,108</u>	<u>35,910</u>	(2.23)	(802)
Consolidated profit before tax	80	851	(90.60)	(771)
Income tax (expense)/credit	<u>-</u>	<u>578</u>	(100.00)	(578)
Consolidated profit after tax	<u>80</u>	<u>1,429</u>	(94.40)	(1,349)

(i) Current Quarter Review

The Group revenue for the current financial quarter ended 31 October 2022 decreased by RM1.41 million when compared to corresponding quarter ended 31 October 2021.

The Group reported a revenue of RM10.64 million. Consolidated loss for the current quarter is at RM254 thousand. The higher performance in the corresponding quarter is due to the reversal of write off pertaining to inventory which had to be accounted for previously.

(ii) 9-month review

For the 9-month review, the Group revenue was lower by 2.23% as compared to corresponding period ended 31 October 2021. The higher performance in the corresponding period ended 31 October 2021 is mainly due to the reversal of write off of certain category of stocks which had to be accounted for in prior accounting periods.

QUARTERLY REPORT FOR THE THIRD FINANCIAL QUARTER ENDED 31 OCTOBER 2022
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B2. Material change in the quarterly results compared to preceding quarter's results

	3 months ended 31.10.2022	3 months ended 31.07.2022	Variance	
	RM'000	RM'000	%	RM'000
Revenue	10,645	10,681	(0.00)	(36)
Consolidated (loss)/profit before tax	(254)	(287)	11.50	33
Income tax (expense)/credit	85	-	100.00	85
Consolidated (loss)/profit after tax	(169)	(287)	41.11	118

As compared to the preceding quarter ended 31 July 2022, the Group recorded a lower revenue figure of RM36 thousand with a consolidated loss figure of RM254 thousand. The lower performance in the current quarter is due to slowdown in sales volume.

B3. Prospects for the current financial year

The current financial year will remain competitive and extremely challenging for the Group. The conflict between Russia and Ukraine has caused major disruptions to the market for crude oil, spiking its prices to levels not seen since 2008. With a prolonged escalation expected, the Group has seen its main cost driver, resin, drastically increase in price tracking the increase in the price of crude oil. Additionally, there is a recent increase in minimum wage from RM1,200 to RM1,500 effective 1 May 2022. These two cost push factors, effecting the major cost drivers, will be a precursor to margin erosion for the Group. The Group will be taking steps to maintain sufficient liquidity to enable it to meet its liabilities as and when they fall due. Capital expenditure will be on a needs basis and will be prudently monitored. 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 31.10.2022 RM'000	Preceding Year Corresponding Quarter 31.10.2021 RM'000	Current Year To Date 31.10.2022 RM'000	Preceding Year Corresponding Period 31.10.2021 RM'000
Estimated tax (payable)/credit	85	578	-	578
Deferred tax	-	-	-	-
Over/(Underprovision) of corporate tax in prior year	-	-	-	-
	<u>85</u>	<u>578</u>	<u>-</u>	<u>578</u>

QUARTERLY REPORT FOR THE THIRD FINANCIAL QUARTER ENDED 31 OCTOBER 2022
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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 31 October 2022.

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 31 October 2022.

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	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31.10.2022	31.10.2021	31.10.2022	31.10.2021
	RM'000	RM'000	RM'000	RM'000
Net (loss)/profit for the period	(169)	2,449	80	1,429
Weighted average number of ordinary share in issue	100,000	100,000	100,000	100,000
Basic earnings per share (sen)	<u>(0.17)</u>	<u>2.45</u>	<u>0.08</u>	<u>1.43</u>