

QUARTERLY REPORT FOR THE FOURTH FINANCIAL QUARTER ENDED 31 JANUARY 2023
(THESE FIGURES ARE UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.01.2023 RM'000	Preceding Year Corresponding Quarter 31.01.2022 RM'000	Current Year To Date 31.01.2023 RM'000	Preceding Year Corresponding Period 31.01.2022 RM'000
Revenue	9,550	13,402	44,796	49,312
Other income	33	(139)	234	242
Interest income from short-term deposits	41	23	108	99
Changes in loss allowance	(10)	209	(10)	209
Changes in inventories of finished goods	(239)	(733)	730	(787)
Raw materials and consumables used	(4,673)	(6,673)	(25,492)	(27,749)
Remuneration of key management personnel	(422)	(150)	(2,129)	(2,084)
Employee benefits expense	(1,460)	(724)	(5,616)	(4,946)
Depreciation of property, plant and equipment	(696)	(760)	(2,822)	(3,080)
Other operating expenses	(2,203)	(4,087)	(9,877)	(9,998)
Profit/(Loss) from operations	(79)	368	(78)	1,218
Finance costs	-	-	-	-
Profit/(Loss) before tax	(79)	368	(78)	1,218
Tax (expense) / income	(98)	(444)	(98)	134
Net (loss)/profit for the period	(177)	(76)	(176)	1,352
Other comprehensive income/(loss)				
Deferred tax on revaluation surplus	-	-	-	-
Other comprehensive income for the year	37	37	37	37
Total comprehensive (loss)/income for the year	(140)	(39)	(139)	1,389
Net earnings per share				
- Basic	(0.18)	(0.08)	(0.18)	1.35

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 FOURTH FINANCIAL QUARTER ENDED 31 JANUARY 2023
(THESE FIGURES ARE UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31.01.2023	31.01.2022
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	50,779	52,486
Transferable golf club membership	85	85
Total Non-Current Assets	50,864	52,571
Current Assets		
Inventories	5,226	4,253
Trade receivables	7,082	10,256
Right to returned goods assets	44	77
Other receivables, deposits and prepaid expenses	193	500
Current tax asset	825	723
Short-term deposit with a licensed investment bank	6,789	6,181
Cash and bank balances	2,483	846
Total Current Assets	22,642	22,836
TOTAL ASSETS	73,506	75,407
EQUITY AND LIABILITIES		
Capital and Reserve		
Issued capital	51,504	51,504
Reserves	12,045	10,618
Profit/(Loss) for the year	(176)	1,390
Shareholders' Equity	63,373	63,512
Non-Current Liabilities		
Provision for gratuity payment	363	338
Deferred tax liabilities	5,556	5,506
Total Non-Current Liabilities	5,919	5,844
Current Liabilities		
Trade payables	2,184	4,445
Other payables and accrued expenses	1,810	1,381
Refund liability	55	96
Amount owing to director	14	23
Provision for gratuity payment	151	106
Dividend payable	-	-
Total Current Liabilities	4,214	6,051
Total Liabilities	10,133	11,895
TOTAL EQUITY AND LIABILITIES	73,506	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 FOURTH FINANCIAL QUARTER ENDED 31 JANUARY 2023
(THESE FIGURES ARE UNAUDITED)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	31.01.2023	31.01.2022
	RM'000	RM'000
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES		
Profit before tax	(78)	1,218
Adjustments for:		
Depreciation of property, plant and equipment	2,822	3,080
Unwinding of discount	(1)	(16)
Changes in allowance for doubtful debts	10	(209)
Unrealised (gain)/loss on forex	45	(9)
Gain on disposal of PPE	(49)	(10)
PPE written down	-	1
Inventories written down	-	32
Interest income	(108)	(97)
Provision for gratuity payment	72	72
Operating Profit Before Working Capital Changes	2,713	4,062
(Increase)/Decrease in:		
Inventories	(973)	1,375
Trade receivables	3,164	(1,626)
Right to returned goods assets	33	(32)
Other receivables, deposits and prepayments	307	(140)
Increase/ (Decrease) in:		
Trade payables	(2,306)	(425)
Other payables and accrued expenses	429	(1,027)
Refund liability	(42)	40
Directors	(9)	-
Cash Generated From Operations	3,316	2,227
Income tax (paid)/refund	(113)	289
Gratuity paid	-	-
Net Cash Generated From Operating Activities	3,203	2,516
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		
Purchase of PPE	(1,116)	(1,981)
Proceeds for disposal of PPE	50	10
Interest received	108	97
Refundable deposits paid for PPE	-	-
Net Cash Used In Investing Activities	(958)	(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	2,245	(358)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	7,027	7,385
CASH AND CASH EQUIVALENTS AT END OF PERIOD	9,272	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 FOURTH FINANCIAL QUARTER ENDED 31 JANUARY 2023**(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	-	(176)	(176)
Other comprehensive income for the year	-	37	37
Balance as of 31 January 2023	51,504	11,869	63,373

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 FOURTH FINANCIAL QUARTER ENDED 31 JANUARY 2023
(THESE FIGURES ARE UNAUDITED)

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 JANUARY 2023.

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 2023:

- Amendments to MFRS 101 and MFRS 108: Classification of Liabilities as Current or Non-Current; Disclosure of Accounting Policies; ²Definition of Accounting Estimates
- Amendments to MFRS 17, Insurance Contracts : Initial Application of MFRS 17 & MFRS 9 – Comparative Information
- Amendments to MFRS 112, Income Taxes

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 2024 with earlier application permitted:

- Amendmenst to MFRS 16 Leases, Lease 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 FOURTH FINANCIAL QUARTER ENDED 31 JANUARY 2023
(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 January 2023.

A8. Dividend

No interim dividend has been declared in the current financial quarter ended 31 January 2023.

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 January 2023 amounted to RM200 thousand. During the said period, there was no significant disposal of property, plant and equipment.

QUARTERLY REPORT FOR THE FOURTH FINANCIAL QUARTER ENDED 31 JANUARY 2023
(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 January 2023 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 January 2023. 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 January 2023, the Group has the following capital expenditure relating to purchase of machinery as follows:

	RM'000
Approved and contracted for	<u>54</u>

A15. Significant Related Party Transactions

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

QUARTERLY REPORT FOR THE FOURTH FINANCIAL QUARTER ENDED 31 JANUARY 2023
(THESE FIGURES ARE UNAUDITED)

B ADDITIONAL NOTES PURSUANT TO MFRS 134

B1. Review of performance
INDIVIDUAL QUARTER

	3 months ended	3 months ended	Variance	
	31.01.2023	31.01.2022	%	RM'000
	RM'000	RM'000		
Revenue	9,550	13,402	(28.74)	(3,852)
Consolidated (loss)/profit before tax	(79)	368	(121.47)	(447)
Income tax (expense)/credit	(98)	(444)	(77.93)	(346)
Consolidated (loss)/profit after tax	(177)	(76)	132.89	101

CUMULATIVE QUARTER

	12 months ended	12 months ended	Variance	
	31.01.2023	31.01.2022	%	RM'000
	RM'000	RM'000		
Revenue	44,796	49,312	(9.16)	(4,516)
Consolidated (loss)/profit before tax	(78)	1,218	(106.40)	(1,296)
Income tax (expense)/credit	(98)	134	(173.13)	(232)
Consolidated (loss)/profit after tax	(176)	1,352	(113.02)	(1,528)

(i) Current Quarter Review

The Group revenue for the current financial quarter ended 31 January 2023 decreased by RM3.85 million when compared to corresponding quarter ended 31 January 2023.

The Group reported a revenue of RM9.55 million. Consolidated loss for the current quarter is at RM79 thousand. The lower performance in the corresponding quarter is due to decrease in sales volume and costing of inventory methodology.

(ii) 12-month review

For the 12-month review, the Group revenue was lower by 9.16% as compared to corresponding period ended 31 January 2022. The lower performance in the corresponding period is due to decrease in sales volume and costing of inventory methodology.

**QUARTERLY REPORT FOR THE FOURTH FINANCIAL QUARTER ENDED 31 JANUARY 2023
(THESE FIGURES ARE UNAUDITED)**

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

	3 months ended 31.01.2023 RM'000	3 months ended 31.10.2023 RM'000	Variance	
			%	RM'000
Revenue	9,550	10,645	(10.28)	(1,095)
Consolidated (loss)/profit before tax	(79)	(254)	(68.90)	(175)
Income tax (expense)/credit	(98)	85	(215.29)	(183)
Consolidated (loss)/profit after tax	(177)	(169)	4.73	8

As compared to the preceding quarter ended 31 October 2022, the Group recorded a lower revenue figure of RM1.09 million with a consolidated loss figure of RM79 thousand. The lower performance in the preceding quarter is due to the higher resin costs relative to the current quarter.

B3. Prospects for the next financial year

The next financial year will remain competitive and extremely challenging for the Group. 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 increase in energy tariff beginning January 2023 will also add on to the Group's overheads going forward. 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 31.01.2023 RM'000	Preceding Year Corresponding Quarter 31.01.2022 RM'000	Current Year To Date 31.01.2023 RM'000	Preceding Year Corresponding Period 31.01.2022 RM'000
Estimated tax (payable)/credit	-	-	-	-
Deferred tax	(87)	(502)	(87)	(502)
Over/(Underprovision) of corporate tax in prior year	(11)	58	(11)	636
	(98)	(444)	(98)	134

**QUARTERLY REPORT FOR THE FOURTH FINANCIAL QUARTER ENDED 31 JANUARY 2023
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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 January 2023.

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 January 2023.

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 31.01.2023 RM'000	Preceding Year Corresponding Quarter 31.01.2022 RM'000	Current Year To Date 31.01.2023 RM'000	Preceding Year Corresponding Period 31.01.2022 RM'000
Net (loss)/profit for the period	(177)	(76)	(176)	1,352
Weighted average number of ordinary share in issue	100,000	100,000	100,000	100,000
Basic earnings per share (sen)	<u>(0.18)</u>	<u>(0.08)</u>	<u>(0.18)</u>	<u>1.35</u>