

QUARTERLY REPORT FOR THE FIRST FINANCIAL QUARTER ENDED 30 APRIL 2023
(THESE FIGURES ARE UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.04.2023 RM'000	Preceding Year Corresponding Quarter 30.04.2022 RM'000	Current Year To Date 30.04.2023 RM'000	Preceding Year Corresponding Period 30.04.2022 RM'000
Revenue	9,962	13,782	9,962	13,782
Other income	16	33	16	33
Interest income from short-term deposits	60	20	60	20
Changes in loss allowance	-	-	-	-
Changes in inventories of finished goods	46	537	46	537
Raw materials and consumables used	(5,444)	(8,360)	(5,444)	(8,360)
Remuneration of key management personnel	(532)	(516)	(532)	(516)
Employee benefits expense	(1,536)	(1,364)	(1,536)	(1,364)
Depreciation of property, plant and equipment	(703)	(749)	(703)	(749)
Other operating expenses	(2,408)	(2,763)	(2,408)	(2,763)
Profit/(Loss) from operations	(539)	620	(539)	620
Finance costs	-	-	-	-
Profit/(Loss) before tax	(539)	620	(539)	620
Tax (expense) / income	-	(85)	-	(85)
Net (loss)/profit for the period	(539)	535	(539)	535
Other comprehensive income/(loss)				
Deferred tax on revaluation surplus	-	-	-	-
Other comprehensive income for the year	-	-	-	-
Total comprehensive (loss)/income for the year	(539)	535	(539)	535
Net earnings per share				
- Basic	(0.54)	0.54	(0.54)	0.54

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 January 2023 and the accompanying explanatory notes to the quarterly financial statements.

QUARTERLY REPORT FOR THE FIRST FINANCIAL QUARTER ENDED 30 APRIL 2023
(THESE FIGURES ARE UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30.04.2023	31.01.2023
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	50,153	50,779
Transferable golf club membership	85	85
Total Non-Current Assets	50,238	50,864
Current Assets		
Inventories	5,444	5,226
Trade receivables	8,619	7,082
Right to returned goods assets	44	44
Other receivables, deposits and prepaid expenses	372	193
Current tax asset	841	825
Short-term deposit with a licensed investment bank	6,849	6,789
Cash and bank balances	1,434	2,483
Total Current Assets	23,603	22,642
TOTAL ASSETS	73,841	73,506
EQUITY AND LIABILITES		
Capital and Reserve		
Issued capital	51,504	51,504
Reserves	11,869	12,045
Profit/(Loss) for the year	(539)	(176)
Shareholders' Equity	62,834	63,373
Non-Current Liabilities		
Provision for gratuity payment	363	363
Deferred tax liabilities	5,556	5,556
Total Non-Current Liabilities	5,919	5,919
Current Liabilities		
Trade payables	3,198	2,184
Other payables and accrued expenses	1,670	1,810
Refund liability	55	55
Amount owing to director	14	14
Provision for gratuity payment	151	151
Dividend payable	-	-
Total Current Liabilities	5,088	4,214
Total Liabilities	11,007	10,133
TOTAL EQUITY AND LIABILITES	73,841	73,506

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 January 2023 and the accompanying explanatory notes to the quarterly financial statements.

QUARTERLY REPORT FOR THE FIRST FINANCIAL QUARTER ENDED 30 APRIL 2023
(THESE FIGURES ARE UNAUDITED)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	30.04.2023	31.01.2023
	RM'000	RM'000
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES		
Profit before tax	(539)	(78)
Adjustments for:		
Depreciation of property, plant and equipment	703	2,822
Unwinding of discount	-	(1)
Changes in allowance for doubtful debts	-	10
Unrealised (gain)/loss on forex	29	45
Gain on disposal of PPE	(39)	(49)
PPE written down	-	-
Inventories written down	-	-
Interest income	(60)	(108)
Provision for gratuity payment	-	72
Operating Profit Before Working Capital Changes	94	2,713
(Increase)/Decrease in:		
Inventories	(218)	(973)
Trade receivables	(1,537)	3,164
Right to returned goods assets	-	33
Other receivables, deposits and prepayments	(179)	307
Increase/ (Decrease) in:		
Trade payables	985	(2,306)
Other payables and accrued expenses	(140)	429
Refund liability	-	(42)
Directors	-	(9)
Cash Generated From Operations	(995)	3,316
Income tax (paid)/refund	(16)	(113)
Gratuity paid	-	-
Net Cash Generated From Operating Activities	(1,011)	3,203
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		
Purchase of PPE	(77)	(1,116)
Proceeds for disposal of PPE	39	50
Interest received	60	108
Refundable deposits paid for PPE	-	-
Net Cash Used In Investing Activities	22	(958)
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES		
Dividend paid	-	-
Net Cash Used in Financing Activities	-	-
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	(989)	2,245
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	9,272	7,027
CASH AND CASH EQUIVALENTS AT END OF PERIOD	8,283	9,272

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 January 2023 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 FIRST FINANCIAL QUARTER ENDED 30 APRIL 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 2022 (as restated)	51,504	12,008	63,512
Dividends	-	-	-
Profit/(Loss) 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
Balance as of 1 February 2023	51,504	11,869	63,373
Dividends	-	-	-
Profit/(Loss) for the year	-	(539)	(539)
Other comprehensive income for the year	-	-	-
Balance as of 30 April 2023	51,504	11,330	62,834

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 January 2023 and the accompanying explanatory notes to the quarterly financial statements.

QUARTERLY REPORT FOR THE FIRST FINANCIAL QUARTER ENDED 30 APRIL 2023
(THESE FIGURES ARE UNAUDITED)

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 APRIL 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 2023. 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 2023.

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 FIRST FINANCIAL QUARTER ENDED 30 APRIL 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 30 April 2023.

A8. Dividend

No interim dividend has been declared in the current financial quarter ended 30 April 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 2023.

The total additions to property, plant and equipment for the financial quarter ended 30 April 2023 amounted to RM77 thousand. During the said period, there was no significant disposal of property, plant and equipment.

QUARTERLY REPORT FOR THE FIRST FINANCIAL QUARTER ENDED 30 APRIL 2023
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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 30 April 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 30 April 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 30 April 2023, the Group has the following capital expenditure relating to purchase of machinery as follows:

	RM'000
Approved and contracted for	<u>94</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 2023
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B ADDITIONAL NOTES PURSUANT TO MFRS 134

B1. Review of performance
INDIVIDUAL QUARTER

	3 months ended	3 months ended	Variance	
	30.04.2023	30.04.2022	%	RM'000
	RM'000	RM'000		
Revenue	9,962	13,782	(27.72)	(3,820)
Consolidated (loss)/profit before tax	(539)	620	(186.93)	(1,159)
Income tax (expense)/credit	-	(85)	(100.00)	(85)
Consolidated (loss)/profit after tax	(539)	535	(200.75)	(1,074)

CUMULATIVE QUARTER

	3 months ended	3 months ended	Variance	
	30.04.2023	30.04.2022	%	RM'000
	RM'000	RM'000		
Revenue	9,962	13,782	(27.72)	(3,820)
Consolidated (loss)/profit before tax	(539)	620	(186.93)	(1,159)
Income tax (expense)/credit	-	(85)	(100.00)	(85)
Consolidated (loss)/profit after tax	(539)	535	(200.75)	(1,074)

(i) Current Quarter Review

The Group revenue for the current financial quarter ended 30 April 2023 decreased by RM3.82 million when compared to corresponding quarter ended 30 April 2022.

The Group reported a revenue of RM9.96 million. Consolidated loss for the current quarter is at RM539 thousand. The lower performance in the corresponding quarter is due to decrease in sales volume.

(ii) 3-month review

For the 3-month review, the Group revenue was lower by 27.72% as compared to corresponding period ended 30 April 2022. The lower performance in the corresponding period is due to decrease in sales volume.

QUARTERLY REPORT FOR THE FIRST FINANCIAL QUARTER ENDED 30 APRIL 2023
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B2. Material change in the quarterly results compared to preceding quarter's results

	3 months ended 30.04.2023 RM'000	3 months ended 31.01.2023 RM'000	Variance	
			%	RM'000
Revenue	9,962	9,550	4.31	412
Consolidated (loss)/profit before tax	(539)	(78)	591.02	461
Income tax (expense)/credit	-	(98)	(100.00)	(98)
Consolidated (loss)/profit after tax	(539)	(176)	206.25	363

As compared to the preceding quarter ended 31 January 2023, the Group recorded a higher revenue figure of RM412 thousand. However, the Group reported a consolidated loss figure of RM539 thousand. The lower performance in the current quarter is due to the increase in costs i.e. resin and direct labor costs.

B3. Prospects for the current financial year

The current 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. The recent amendments to the Employment Act has also put upward pressure on direct labor costs. These 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 30.04.2023 RM'000	Preceding Year Corresponding Quarter 30.04.2022 RM'000	Current Year To Date 30.04.2023 RM'000	Preceding Year Corresponding Period 30.04.2022 RM'000
Estimated tax (payable)/credit	-	(85)	-	(85)
Deferred tax	-	-	-	-
Over/(Underprovision) of corporate tax in prior year	-	-	-	-
	-	(85)	-	(85)

QUARTERLY REPORT FOR THE FIRST FINANCIAL QUARTER ENDED 30 APRIL 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 30 April 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 30 April 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	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30.04.2023	30.04.2022	30.04.2023	30.04.2022
	RM'000	RM'000	RM'000	RM'000
Net (loss)/profit for the period	(539)	535	(539)	535
Weighted average number of ordinary share in issue	100,000	100,000	100,000	100,000
Basic earnings per share (sen)	<u>(0.54)</u>	<u>0.54</u>	<u>(0.54)</u>	<u>0.54</u>