

**CYL CORPORATION BERHAD**

(Incorporated in Malaysia)

Registration No.: 200001013537 (516143-V)

**QUARTERLY REPORT FOR THE THIRD FINANCIAL QUARTER ENDED 31 OCT 2023****(THESE FIGURES ARE UNAUDITED)****CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.10.2023 RM'000	Preceding Year Corresponding Quarter 31.10.2022 RM'000	Current Year To Date 31.10.2023 RM'000	Preceding Year Corresponding Period 31.10.2022 RM'000
<b>Revenue</b>	10,706	10,645	32,537	35,108
Other income	2	157	36	340
Interest income from short-term deposits	65	26	188	66
Changes in loss allowance	-	-	-	-
Changes in inventories of finished goods	(11)	(234)	(227)	900
Raw materials and consumables used	(6,002)	(5,752)	(17,638)	(20,811)
Remuneration of key management personnel	(646)	(520)	(1,710)	(1,556)
Employee benefits expense	(1,431)	(1,413)	(4,503)	(4,154)
Depreciation of property, plant and equipment	(703)	(687)	(2,110)	(2,128)
Other operating expenses	(2,652)	(2,476)	(7,765)	(7,685)
<b>Profit/(Loss) from operations</b>	(672)	(254)	(1,192)	80
Finance costs				
<b>Profit/(Loss) before tax</b>	(672)	(254)	(1,192)	80
Tax (expense) / income		85		
<b>Net (loss)/profit for the period</b>	(672)	(169)	(1,192)	80
<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>	(672)	(169)	(1,192)	80
Net earnings per share				
- Basic	(0.67)	(0.17)	(1.19)	0.08

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.

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**QUARTERLY REPORT FOR THE THIRD FINANCIAL QUARTER ENDED 31 OCT 2023****(THESE FIGURES ARE UNAUDITED)****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>31.10.2023</b>	<b>31.01.2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	49,878	50,779
Transferable golf club membership	85	85
<b>Total Non-Current Assets</b>	<b>49,963</b>	<b>50,864</b>
<b>Current Assets</b>		
Inventories	4,877	5,226
Trade receivables	8,958	7,082
Right to returned goods assets	44	44
Other receivables, deposits and prepaid expenses	1,606	193
Current tax asset	310	825
Short-term deposit with a licensed investment bank	6,974	6,789
Cash and bank balances	387	2,483
<b>Total Current Assets</b>	<b>23,156</b>	<b>22,642</b>
<b>TOTAL ASSETS</b>	<b>73,119</b>	<b>73,506</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and Reserve</b>		
Issued capital	51,504	51,504
Reserves	11,870	12,008
Profit/(Loss) for the year	(1,192)	(138)
<b>Shareholders' Equity</b>	<b>62,182</b>	<b>63,374</b>
<b>Non-Current Liabilities</b>		
Provision for gratuity payment	363	363
Deferred tax liabilities	5,555	5,555
<b>Total Non-Current Liabilities</b>	<b>5,918</b>	<b>5,918</b>
<b>Current Liabilities</b>		
Trade payables	3,064	2,184
Other payables and accrued expenses	1,735	1,810
Refund liability	55	55
Amount owing to director	14	14
Provision for gratuity payment	151	151
Dividend payable	-	-
<b>Total Current Liabilities</b>	<b>5,019</b>	<b>4,214</b>
<b>Total Liabilities</b>	<b>10,937</b>	<b>10,132</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>73,119</b>	<b>73,506</b>

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.

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

<b>CONDENSED CONSOLIDATED CASH FLOW STATEMENT</b>	<b>31.10.2023</b>	<b>31.01.2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES</b>		
Profit/(Loss) before tax	(1,192)	(78)
Adjustments for:		
Depreciation of property, plant and equipment	2,110	2,822
Unwinding of discount	-	(1)
Changes in allowance for doubtful debts	-	10
Unrealised (gain)/loss on forex	34	45
Gain on disposal of PPE	(38)	(49)
Interest income	(188)	(108)
Provision for gratuity payment	-	72
<b>Operating Profit Before Working Capital Changes</b>	<b>726</b>	<b>2,713</b>
(Increase)/Decrease in:		
Inventories	349	(973)
Trade receivables	(1,876)	3,164
Right to returned goods assets	-	33
Other receivables, deposits and prepayments	(1,413)	307
Increase/ (Decrease) in:		
Trade payables	846	(2,306)
Other payables and accrued expenses	(75)	429
Refund liability	-	(42)
Directors	-	(9)
<b>Cash Generated From Operations</b>	<b>(1,443)</b>	<b>3,316</b>
Income tax (paid)/refund	515	(113)
Gratuity paid	-	-
<b>Net Cash Generated From/ (Used In) Operating Activities</b>	<b>(928)</b>	<b>3,203</b>
<b>CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES</b>		
Purchase of PPE	(1,209)	(1,116)
Proceeds for disposal of PPE	38	50
Interest received	188	108
<b>Net Cash Used In Investing Activities</b>	<b>(983)</b>	<b>(958)</b>
<b>CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES</b>		
Dividend paid	-	-
<b>Net Cash Used in Financing Activities</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(1,911)</b>	<b>2,245</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>9,272</b>	<b>7,027</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>7,361</b>	<b>9,272</b>

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.

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**QUARTERLY REPORT FOR THE THIRD FINANCIAL QUARTER ENDED 31 OCT 2023****(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 2022 (as restated)</b>	51,504	12,008	63,512
Dividends			
Profit/(Loss) for the year		(175)	(175)
Other comprehensive income for the year		37	37
<b>Balance as of 31 January 2023</b>	<b>51,504</b>	<b>11,870</b>	<b>63,374</b>
<b>Balance as of 1 February 2023</b>	51,504	11,870	63,374
Dividends			
Profit/(Loss) for the year		(1,192)	(1,192)
Other comprehensive income for the year			
<b>Balance as of 31 Oct 2023</b>	<b>51,504</b>	<b>10,678</b>	<b>62,182</b>

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.

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**QUARTERLY REPORT FOR THE THIRD FINANCIAL QUARTER ENDED 31 OCT 2023**

**(THESE FIGURES ARE UNAUDITED)**

**A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 OCT 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; <sup>2</sup>Definition 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:

MFRSs and/or IC Interpretations (including the consequential amendments)	Effective Date
MFRS 16      Leasee, Lease Liability in Sales and Leaseback	1 January 2024
MFRS 121    The Effects of Changes in Foreign Exchange Rates	1 January 2025

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.

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**QUARTERLY REPORT FOR THE THIRD FINANCIAL QUARTER ENDED 31 OCT 2023**

**(THESE FIGURES ARE UNAUDITED)**

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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 Oct 2023.

**A8. Dividend**

No interim dividend has been declared in the current financial quarter ending 31 Oct 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 31 Oct 2023 amounted to RM1.209 million. During the said period, there was no significant disposal of property, plant and equipment.

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**QUARTERLY REPORT FOR THE THIRD FINANCIAL QUARTER ENDED 31 OCT 2023**

**(THESE FIGURES ARE UNAUDITED)**

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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 Oct 2023 and the date of this report.

**A12. Changes in the composition of the Company**

The Company had on 18th September 2023, incorporated a new wholly-owned subsidiary known as CYL Land Sdn Bhd. with an issue and paid-up share capital of RM1.00. The intended principal activity of this subsidiary is dealing in property development. This subsidiary is currently dormant.

**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 Oct 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 Oct 2023, the Group has the following capital expenditure relating to purchase of machinery as follows:

	<b>RM'000</b>
Approved and contracted for	1,679
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**A15. Significant Related Party Transactions**

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

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**QUARTERLY REPORT FOR THE THIRD FINANCIAL QUARTER ENDED 31 OCT 2023****(THESE FIGURES ARE UNAUDITED)****B ADDITIONAL NOTES PURSUANT TO MFRS 134****B1. Review of performance****INDIVIDUAL QUARTER**

	<b>Current Year Quarter</b>	<b>Preceding Year Corresponding Quarter</b>	<b>Variance</b>	
	<b>31.10.2023</b>	<b>31.10.2022</b>	<b>%</b>	<b>RM'000</b>
	<b>RM'000</b>	<b>RM'000</b>		
Revenue	10,706	10,645	0.57	61
				-
Consolidated (loss)/profit before tax	(672)	(254)	(164.57)	(418)
Income tax (expense)/credit	-	85	(100.00)	(85)
Consolidated (loss)/profit after tax	(672)	(169)	(297.63)	(503)

**CUMULATIVE QUARTER**

	<b>Current Year To Date</b>	<b>Preceding Year Corresponding Period</b>	<b>Variance</b>	
	<b>31.10.2023</b>	<b>31.10.2022</b>	<b>%</b>	<b>RM'000</b>
	<b>RM'000</b>	<b>RM'000</b>		
Revenue	32,537	35,108	(7.32)	(2,571)
				-
Consolidated (loss)/profit before tax	(1,192)	80	(1,590.00)	(1,272)
Income tax (expense)/credit	-	-	-	-
Consolidated (loss)/profit after tax	(1,192)	80	(1,590.00)	(1,272)

**(i) Current Quarter Review**

The Group reported a consolidated revenue and consolidated loss of RM10.71 million and of RM672 thousand respectively. As compared to corresponding quarter ended 31 Oct 2022, the Group recorded a higher revenue figure of RM 61 thousand but is reporting a higher consolidated loss of RM503 thousand mainly due to the increase in cost ie. resins, direct labour cost and TNB tariff.

**(ii) Cumulative Quarters Review**

The Group reported a consolidated revenue and consolidated loss of RM32.5 million and of RM1.19 million respectively. As compared to corresponding period ended 31 Oct 2022, there is decrease of consolidated revenue and consolidated profit of RM2.57 million and RM1.27 million respectively. This infavourable performance mainly due to decrease in sales volume and increase in cost.



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**QUARTERLY REPORT FOR THE THIRD FINANCIAL QUARTER ENDED 31 OCT 2023****(THESE FIGURES ARE UNAUDITED)****B2. Material change in the quarterly results compared to preceding quarter's results**

	Current Year	Current Year	Variance	
	Current Quarter	Last Quarter	%	RM'000
	31.10.2023	31.07.2023		
	RM'000	RM'000		
Revenue	10,706	11,869	(9.80)	(1,163)
Consolidated (loss)/profit before tax	(672)	19	3,636.84	(691)
Income tax (expense)/credit	-	-	-	-
Consolidated (loss)/profit after tax	(672)	19	3,636.84	(691)

As compared to the preceding quarter ended 31 July 2023, the Group recorded a lower revenue figure of RM1.16 million and reduction in consolidated profit figure of RM691 thousand. This lower performance is mainly affected by lesser sales and higher cost.

**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	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding	To Date	Corresponding Period
	31.10.2023	31.10.2022	31.10.2023	31.10.2022
	RM'000	RM'000	RM'000	RM'000
Estimated tax (payable)/credit	-	85	-	-
Deferred tax	-	-	-	-
Over/(Underprovision) of corporate tax in prior year	-	-	-	-
	-	85	-	-

The Group's effective tax rate is not proportionate to the statutory tax rate mainly due to reinvestment allowance claimed by the subsidiary company.

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**QUARTERLY REPORT FOR THE THIRD FINANCIAL QUARTER ENDED 31 OCT 2023****(THESE FIGURES ARE UNAUDITED)****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 Oct 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 ending 31 Oct 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 31.10.2023 RM'000	Preceding Year Corresponding Quarter 31.10.2022 RM'000	Current Year To Date 31.10.2023 RM'000	Preceding Year Corresponding Period 31.10.2022 RM'000
Net (loss)/profit for the period	(672)	(169)	(1,192)	80
Weighted average number of ordinary share in issue	100,000	100,000	100,000	100,000
Basic earnings per share (sen)	<u>(0.67)</u>	<u>(0.17)</u>	<u>(1.19)</u>	<u>0.08</u>