

CYL CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No.: 200001013537 (516143-V)

QUARTERLY REPORT FOR THE FIRST FINANCIAL QUARTER ENDED 30 APRIL 2024**(THESE FIGURES ARE UNAUDITED)****CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

| | Individual Quarter | | Cumulative Quarter | |
|---|--|--|--|---|
| | Current Year Quarter 30.04.2024 RM'000 | Preceding Year Corresponding Quarter 30.04.2023 RM'000 | Current Year To Date 30.04.2024 RM'000 | Preceding Year Corresponding Period 30.04.2023 RM'000 |
| Revenue | 11,798 | 9,962 | 11,798 | 9,962 |
| Other income | 22 | 16 | 22 | 16 |
| Interest income from short-term deposits | 44 | 60 | 44 | 60 |
| Changes in inventories of finished goods | (217) | 46 | (217) | 46 |
| Raw materials and consumables used | (6,300) | (5,444) | (6,300) | (5,444) |
| Remuneration of key management personnel | (529) | (532) | (529) | (532) |
| Employee benefits expense | (1,497) | (1,536) | (1,497) | (1,536) |
| Depreciation of property, plant and equipment | (757) | (703) | (757) | (703) |
| Other operating expenses | (2,642) | (2,408) | (2,642) | (2,408) |
| Loss from operations | (78) | (539) | (78) | (539) |
| Finance costs | - | - | - | - |
| Loss before tax | (78) | (539) | (78) | (539) |
| Tax (expense) / income | - | - | - | - |
| Loss for the period | (78) | (539) | (78) | (539) |
| Other comprehensive income/(loss) | | | | |
| Deferred tax on revaluation surplus | - | - | - | - |
| Other comprehensive income for the year | - | - | - | - |
| Total comprehensive loss for the year | (78) | (539) | (78) | (539) |
| Net earnings per share | | | | |
| - Basic | (0.08) | (0.54) | (0.08) | (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 2024 and the accompanying explanatory notes to the quarterly financial statements.

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QUARTERLY REPORT FOR THE FIRST FINANCIAL QUARTER ENDED 30 APRIL 2024**(THESE FIGURES ARE UNAUDITED)****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

| | 30.04.2024 | 31.01.2024 |
|--|-------------------|-------------------|
| | RM'000 | RM'000 |
| ASSETS | | |
| Non-Current Assets | | |
| Property, plant and equipment | 47,898 | 51,353 |
| Transferable golf club membership | 85 | 85 |
| Total Non-Current Assets | 47,983 | 51,438 |
| Current Assets | | |
| Inventories | 4,369 | 4,326 |
| Trade receivables | 9,673 | 7,786 |
| Right to returned goods assets | 48 | 47 |
| Other receivables, deposits and prepaid expenses | 5,324 | 1,005 |
| Current tax asset | 301 | 285 |
| Short-term deposit with a licensed investment bank | 3,768 | 6,029 |
| Cash and bank balances | 1,264 | 1,265 |
| Total Current Assets | 24,747 | 20,743 |
| TOTAL ASSETS | 72,730 | 72,181 |
| EQUITY AND LIABILITES | | |
| Capital and Reserve | | |
| Issued capital | 51,504 | 51,504 |
| Reserves | 9,838 | 11,370 |
| Loss for the year | (78) | (1,532) |
| Shareholders' Equity | 61,264 | 61,342 |
| Non-Current Liabilities | | |
| Hire Purchase Creditors (Non Current) | 214 | - |
| Provision for gratuity payment | 435 | 435 |
| Deferred tax liabilities | 5,183 | 5,183 |
| Total Non-Current Liabilities | 5,832 | 5,618 |
| Current Liabilities | | |
| Trade payables | 3,299 | 2,351 |
| Other payables and accrued expenses | 1,659 | 2,426 |
| Contract liabilities | 348 | 178 |
| Refund liability | 56 | 56 |
| Hire Purchase Creditors | 62 | - |
| Amount owing to director | 14 | 14 |
| Provision for gratuity payment | 196 | 196 |
| Total Current Liabilities | 5,634 | 5,221 |
| Total Liabilities | 11,466 | 10,839 |
| TOTAL EQUITY AND LIABILITIES | 72,730 | 72,181 |

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 January 2024 and the accompanying explanatory notes to the quarterly financial statements.

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QUARTERLY REPORT FOR THE FIRST FINANCIAL QUARTER ENDED 30 APRIL 2024**(THESE FIGURES ARE UNAUDITED)**

| CONDENSED CONSOLIDATED CASH FLOW STATEMENT | 30.04.2024 | 31.01.2024 |
|--|-------------------|-------------------|
| | RM'000 | RM'000 |
| CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES | | |
| Loss before tax | (78) | (1,878) |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 757 | 2,841 |
| Inventories write down | - | (7) |
| Provision for gratuity payment | - | 75 |
| Loss allowance on trade receivable | - | (6) |
| Gain on disposal of PPE | - | (39) |
| Unrealised (gain)/loss on forex | (4) | 32 |
| Interest income | (44) | (242) |
| Unwinding of discount | - | 41 |
| Operating Profit Before Working Capital Changes | 631 | 817 |
| (Increase)/Decrease in: | | |
| Inventories | (44) | 907 |
| Receivables | (2,908) | (1,498) |
| Right to returned goods assets | - | (3) |
| Payables | 687 | 240 |
| Contract liabilities | 170 | 178 |
| Refund liability | - | 1 |
| Directors | - | - |
| Cash Generated From Operations | (1,464) | 642 |
| Income tax (paid)/refund | (16) | 512 |
| Interest received | 44 | 242 |
| Net Cash Generated From Operating Activities | (1,436) | 1,396 |
| CASH FLOWS USED IN INVESTING ACTIVITIES | | |
| Purchase of PPE | (602) | (3,414) |
| Proceeds for disposal of PPE | - | 40 |
| Net Cash Used In Investing Activities | (602) | (3,374) |
| CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES | | |
| Proceeds from Hire Purchase Financing | 276 | - |
| Repayment of Hire purchase obligations | - | - |
| Dividend paid | (500) | - |
| Net Cash Used in Financing Activities | (224) | - |
| NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS | (2,262) | (1,978) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD | 7,294 | 9,272 |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | 5,032 | 7,294 |

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 January 2024 and the accompanying explanatory notes to the quarterly financial statements.

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QUARTERLY REPORT FOR THE FIRST FINANCIAL QUARTER ENDED 30 APRIL 2024**(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 2023 | 51,504 | 11,870 | 63,374 |
| Dividends | - | (500) | (500) |
| Profit/(Loss) for the year | - | (1,569) | (1,569) |
| Other comprehensive income for the year | - | 37 | 37 |
| Balance as of 31 Jan 2024 | 51,504 | 9,838 | 61,342 |
| Balance as of 1 February 2024 | 51,504 | 9,838 | 61,342 |
| Profit/(Loss) for the year | - | (78) | (78) |
| Other comprehensive income for the year | - | - | - |
| Balance as of 30 April 2024 | 51,504 | 9,760 | 61,264 |

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 January 2024 and the accompanying explanatory notes to the quarterly financial statements.

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QUARTERLY REPORT FOR THE FIRST FINANCIAL QUARTER ENDED 30 APRIL 2024

(THESE FIGURES ARE UNAUDITED)

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JAN 2024.

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 and 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 2024.

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: Disclosure of Accounting Policies; 2 Definition of Accounting Estimates

* Amendments to MFRS 17, Insurance Contracts : Initial Application of MFRS 17 & MFRS 9 – Comparative Information

* Amendments to MFRS 112, Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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 Lease, Lease Liability in Sales and Leaseback | 1 January 2024 |
| MFRS 101 Classification of Liabilities as Current or Non-current | 1 January 2024 |
| MFRS 101 Non-current Liabilities with Conenants | 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 FIRST FINANCIAL QUARTER ENDED 30 APRIL 2024

(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 2024.

A8. Dividend

For financial year ended 31 January 2024, an interim tax exempt dividend of 0.50 sen per ordinary share amounting to RM500,000 was paid on 7 February 2024.

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 2024.

The total additions to property, plant and equipment for the current quarter ended 30 April 2024 amounted to RM602 thousand. During the said period, there was no significant disposal of property, plant and equipment.

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QUARTERLY REPORT FOR THE FIRST FINANCIAL QUARTER ENDED 30 APRIL 2024

(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 2024 and the date of this report.

A12. Changes in the composition of the Company

There is no changes in the composition of the Group for the current quarter.

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 2024. 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 2024, the Group has the following capital expenditure relating to purchase of machinery as follows:

| | |
|-----------------------------|---------------|
| | RM'000 |
| Approved and contracted for | 430 |
| | ===== |

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 FIRST FINANCIAL QUARTER ENDED 30 APRIL 2024**(THESE FIGURES ARE UNAUDITED)****B ADDITIONAL NOTES PURSUANT TO MFRS 134****B1. Review of performance****INDIVIDUAL QUARTER**

| | Current Year Quarter | Preceding Year Corresponding Quarter | Variance | |
|------------------------------|---------------------------------|---|-----------------|---------------|
| | 30.04.2024 | 30.04.2023 | % | RM'000 |
| | RM'000 | RM'000 | | |
| Revenue | 11,798 | 9,962 | 18.43 | 1,836 |
| Consolidated loss before tax | (78) | (539) | (85.53) | (461) |
| Tax (expense)/ credit | - | - | - | - |
| Consolidated loss after tax | (78) | (539) | (85.53) | (461) |

CUMULATIVE QUARTER

| | Current Year To Date | Preceding Year Corresponding Period | Variance | |
|------------------------------|---------------------------------|--|-----------------|---------------|
| | 30.04.2024 | 30.04.2023 | % | RM'000 |
| | RM'000 | RM'000 | | |
| Revenue | 11,798 | 9,962 | 18.43 | 1,836 |
| Consolidated loss before tax | (78) | (539) | (85.53) | (461) |
| Tax (expense)/ credit | - | - | - | - |
| Consolidated loss after tax | (78) | (539) | (85.53) | (461) |

(i) Current Quarter Review

The Group reported a consolidated revenue and consolidated loss of RM11.798 million and RM78 thousand respectively. As compared to corresponding quarter ended 30 April 2023, the Group recorded a higher revenue figure of RM 1.836 million and a reduced consolidated loss before tax of RM461 thousand. This improvement is primarily due to increased sales volume.

(ii) Cumulative Quarters Review

The Group reported a consolidated revenue and consolidated loss of RM11.798 million and RM78 thousand respectively. As compared to corresponding quarter ended 30 April 2023, the Group recorded a higher revenue figure of RM 1.836 million and a reduced consolidated loss before tax of RM461 thousand. This improvement is primarily due to increased sales volume.

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QUARTERLY REPORT FOR THE FIRST FINANCIAL QUARTER ENDED 30 APRIL 2024**(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 |
| | 30.04.2024 | 31.01.2024 | | |
| | RM'000 | RM'000 | | RM'000 |
| Revenue | 11,798 | 10,356 | 13.92 | 1,442 |
| Consolidated loss before tax | (78) | (686) | (88.63) | (608) |
| Tax credit | - | - | | - |
| Consolidated loss after tax | (78) | (686) | (88.63) | (608) |

As compared to the preceding quarter ended 31 January 2024, the Group recorded a higher sales figure of RM1.442 million and a reduced consolidated loss of RM608 thousand. This improvement is primarily due to increased sales volume and effective cost control measures

B3. Prospects for the current financial year

The business in the current financial year will remain competitive and extremely challenging for the Group. The Group has seen the impact of multiple factors of resin price and rising operating costs as the government is likely to continue to rationalise fuel and electricity tariff subsidies. These few cost push factors, effecting the major cost drivers, will be a precursor to margin erosion for the Group. Nevertheless, 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 |
| | 30.04.2024 | 30.04.2023 | 30.04.2024 | 30.04.2023 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Estimated tax (payable)/credit | - | - | - | - |
| Deferred tax | - | - | - | - |
| Over/(Underprovision) of corporate tax in prior year | - | - | - | - |
| | - | - | - | - |

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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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 borrowings stood at RM 276 thousand as of 30 April 2024.

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 2024.

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 |
| | 30.04.2024 | 30.04.2023 | 30.04.2024 | 30.04.2023 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Loss for the period | (78) | (539) | (78) | (539) |
| Weighted average number of ordinary share in issue | 100,000 | 100,000 | 100,000 | 100,000 |
| Basic loss per share (sen) | <u>(0.08)</u> | <u>(0.54)</u> | <u>(0.08)</u> | <u>(0.54)</u> |