

The logo for CYL Corporation Berhad, featuring the letters 'CYL' in white on a dark red oval background.

CYL

CYL CORPORATION BERHAD

200001013537 (616143-V)

2023

ANNUAL REPORT

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NOTICE OF THE TWENTY-THIRD ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Third Annual General Meeting of **CYL Corporation Berhad** (“Company” or “CYL”) will be conducted on a fully virtual manner through live streaming via the online meeting platform at TIIH Online, provided by Tricor Investor & Issuing House Services Sdn. Bhd. in Malaysia via its website, <https://tiih.online> or <https://tiih.com.my> on **Thursday, 20 July 2023 at 10.00 a.m.** to transact the following businesses:-

AGENDA

As Ordinary Business

- To receive the Audited Financial Statements for the financial year ended 31 January 2023 together with the Reports of the Directors and Auditors thereon. *(Please see Note 1 of Explanatory Notes on Ordinary Business)*
- To re-elect the following Directors who retire by rotation pursuant to Clause 76(3) of the Constitution of the Company:-
 - Tan Sri Abu Talib Bin Othman *Resolution 1*
 - Mr Chen Teck Shin *Resolution 2*
- To re-elect the following Directors who retire pursuant to Clause 78 of the Constitution of the Company:-
 - Encik Abd Malik Bin A Rahman *Resolution 3*
 - Mr Chen Teck Sun *Resolution 4*
- To approve the Non-Executive Directors’ fees of RM468,000 for the period commencing on the date immediately after the Twenty-Third Annual General Meeting up to the date of the next Annual General Meeting to be held in 2024. *Resolution 5*
- To approve the Non-Executive Directors’ benefits of RM30,000 for the period commencing on the date immediately after the Twenty-Third Annual General Meeting up to the date of the next Annual General Meeting to be held in 2024. *Resolution 6*
- To re-appoint Mazars PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. *Resolution 7*

As Special Business

To consider and, if thought fit, to pass with or without modifications, the following Ordinary Resolution:

- Ordinary Resolution**
Authority for Directors to issue and allot shares of the Company pursuant to Sections 75 and 76 of the Companies Act 2016 and Waiver of Pre-emptive Rights under Section 85 of the Companies Act 2016 *Resolution 8*

“THAT pursuant to Sections 75 and 76 of the Companies Act 2016 (“Act”) and subject to the approval of the relevant governmental/regulatory authorities (if any), the Directors of the Company be and are hereby authorised to issue and allot shares in the Company from time to time, at such price, upon such terms and conditions, for such purposes and to such persons whomsoever as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares issued during the preceding 12 months does not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being AND THAT the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued from Bursa Malaysia Securities Berhad AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting (“AGM”) of the Company after the approval was

given or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is earlier, unless revoked or varied by an ordinary resolution of the Company at a general meeting.

THAT pursuant to Section 85 of the Act, read together with Clause 12(3) of the Constitution of the Company, the shareholders of the Company do hereby waive the pre-emptive rights to be offered new shares ranking equally to the existing issued shares of the Company arising from the exercise of the authority granted pursuant to Sections 75 and 76 of the Act.”

8. To transact any other business for which due notice is given in accordance with the Companies Act 2016 and the Constitution of the Company.

By Order of the Board

KUAN HUI FANG (MIA 16876)

SSM PC No. 202008001235

THAM WAI YING (MAICSA 7016123)

SSM PC No. 202008001181

Company Secretaries

Kuala Lumpur

25 May 2023

Notes:

1. **IMPORTANT NOTICE**

The Twenty-Third Annual General Meeting (“AGM”) of the Company will be conducted on a fully virtual manner through live streaming in line with the Guidance Note on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia.

All meeting participants including the Chairman of the meeting, board members, senior management and shareholders are required to participate in the meeting online.

*Shareholders are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, “participate”) remotely at this AGM via the Remote Participation and Voting (“RPV”) facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. via its **TIIH Online** website at <https://tiih.online>.*

Please read these Notes carefully and follow the procedures in the Administrative Guide for the Twenty-Third AGM in order to participate remotely via RPV facilities.

2. *For the purpose of determining who shall be entitled to participate in this AGM via RPV facilities, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, the **Record of Depositors as at 12 July 2023**. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this AGM via RPV facilities.*
3. *A member who is entitled to participate in this AGM via RPV facilities is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company.*
4. *A member of the Company who is entitled to participate at a general meeting of the Company may appoint not more than two (2) proxies to participate instead of the member at the AGM.*
5. *Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 (“Central Depositories Act”), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.*
6. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.*
7. *Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.*

8. A member who has appointed a proxy or attorney or authorised representative to participate at the Twenty-Third AGM via RPV facilities **must request his/her proxy or attorney or authorised representative to register himself/herself for RPV facilities via TIH Online website at <https://tiih.online>**. Procedures for RPV facilities can be found in the Administrative Guide for the Twenty-Third AGM.
9. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote:
- (i) In hard copy form
- In the case of an appointment made in hard copy form, the proxy form must be deposited with the Company's Share Registrar at Tricor Investor & Issuing House Services Sdn. Bhd. of Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
- (ii) By electronic means
- The proxy form can be electronically lodged with the Share Registrar of the Company via TIH Online at <https://tiih.online>. Kindly refer to the Administrative Guide for the Twenty-Third AGM on the procedures for electronic lodgement of proxy form via TIH Online.
10. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Company's Share Registrar at Tricor Investor & Issuing House Services Sdn. Bhd. of Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
11. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
12. Last date and time for lodging the proxy form is **Tuesday, 18 July 2023 at 10.00 a.m.**
13. For a corporate member who has appointed an authorised representative instead of a proxy to attend this meeting, please deposit the **ORIGINAL** certificate of appointment of authorised representative with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd. of Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
- The certificate of appointment of authorised representative should be executed in the following manner:
- (i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
- (ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:
- (a) at least two (2) authorised officers, of whom one shall be a director; or
- (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
14. Shareholders are advised to check the Company's website at www.cylcorporation.com and announcements from time to time for any changes to the administration of the Twenty-Third AGM.

Explanatory Notes on Ordinary Business

1. Agenda item no. 1 is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 ("Act") does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this item on the Agenda is **not put forward for voting**.
2. Resolutions 1 to 4
- Tan Sri Abu Talib Bin Othman, Mr Chen Teck Shin, Encik Abd Malik Bin A Rahman and Mr Chen Teck Sun are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the Twenty-Third AGM.
- Please refer to the Statement Accompanying the Notice of AGM for further information.
3. Resolution 5
- Pursuant to Section 230(1) of the Act, the fees of the directors, and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at the general meeting.
- The Non-Executive Directors' fees are calculated based on the current Board size. Payment of the Non-Executive Directors' fees will be made by the Company and its subsidiary on a monthly basis and as and when incurred for the period commencing on the date immediately after the Twenty-Third AGM up to the date of the next AGM to be held in 2024. The Board is of the view that it is just and equitable for the Non-Executive Directors to be paid with the Directors' fees on a monthly basis and as and when incurred, particularly after they have discharged their responsibilities and rendered their services. In the event the proposed amount is insufficient, approval will be sought at the next AGM for the shortfall.
4. Resolution 6
- The Non-Executive Directors' benefits are calculated based on the current Board size and the number of scheduled Board and Board Committee meetings for the period commencing on the date immediately after the Twenty-Third AGM up to the date of the next AGM to be held in 2024. In the event the proposed amount is insufficient, approval will be sought at the next AGM for the shortfall.

5. Resolution 7

The Board has through the Audit Committee (“AC”), considered the re-appointment of Mazars PLT as Auditors of the Company. The factors considered by the AC in making the recommendation to the Board to table their re-appointment at the Twenty-Third AGM are disclosed in the Corporate Governance Overview Statement of the Annual Report 2023.

Explanatory Note on Special Business

6. Resolution 8

This proposed Resolution is proposed pursuant to Sections 75 and 76 of the Act, and if passed, will give the Directors of the Company, from the date of the above AGM, authority to allot shares in the Company up to and not exceeding in total ten per cent (10%) of the total number of issued shares (excluding treasury shares) of the Company for such purposes as the Directors deem fit and in the best interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

This proposed Resolution is a new mandate. The mandate is to provide flexibility to the Company to issue new shares without the need to convene separate general meeting to obtain its shareholders’ approval so as to avoid incurring additional cost and time. The purpose of this general mandate is for possible fund raising exercise including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, repayment of bank borrowings, acquisitions and/or for issuance of shares as settlement of purchase consideration or such other application as the Directors may deem fit in the best interest of the Company.

By voting in favour of the proposed Resolution, the shareholders of the Company will be waiving their statutory pre-emptive right under Section 85 of the Act and will allow the Directors to issue shares to any person without having to offer the new shares to all existing shareholders of the Company prior to issuance of the new shares.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Directors standing for election

As at date of this notice, there are no individuals who are standing for election or appointment as Directors at the Twenty-Third Annual General Meeting (“AGM”).

Directors who are seeking re-election at the Twenty-Third AGM are:

- (i) Tan Sri Abu Talib Bin Othman;
- (ii) Mr Chen Teck Shin;
- (iii) Encik Abd Malik Bin A Rahman; and
- (iv) Mr Chen Teck Sun.

(“the Retiring Directors”).

The profiles of the Retiring Directors are set out on pages 8 to 11 of the Annual Report 2023. The details of their interest in the securities of the Company can be found on page 79 of the Annual Report 2023.

All Retiring Directors have been subject to performance evaluation (except Encik Abd Malik Bin A Rahman who was appointed after the financial year ended 31 January 2023) and fit and proper assessment. The Board is satisfied with their performance and contribution, and they continue to perform effectively and demonstrate their commitment to the role. None of the Retiring Directors has any conflict of interest or potential conflict of interest, including interest in any business that is in competition with the Company and its subsidiary.

The Board (save for the Retiring Directors who have abstained from deliberation on discussions relating to their own re-election at the NC/Board meetings) supports the re-election of the Retiring Directors.

Authority to Directors to Allot Shares and Waiver of Pre-emptive Rights

Details on the authority to allot shares pursuant to Section 75 and 76 of the Companies Act 2016 (“Act”) and waiver of pre-emptive rights under Section 85 of the Act are provided under the explanatory note on special business in the Notice of the Twenty-Third AGM.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Abu Talib Bin Othman
(Chairman/Non-Independent
Non-Executive Director)

Chen Yat Lee
(Managing Director)

Chen Teck Shin
(Executive Director)

Chen Wai Ling
(Executive Director)

Chen Teck Sun
(Executive Director and also Alternate
Director to Chen Yat Lee)

Abd Malik Bin A Rahman
(Independent Non-Executive Director)

Tang Sook Kuen
(Independent Non-Executive Director)

Gan Kok Ling
(Independent Non-Executive Director)

AUDIT COMMITTEE

Abd Malik Bin A Rahman (Chairman)
Tang Sook Kuen
Gan Kok Ling

NOMINATION COMMITTEE

Gan Kok Ling (Chairperson)
Abd Malik Bin A Rahman
Tang Sook Kuen

REMUNERATION COMMITTEE

Tang Sook Kuen (Chairperson)
Abd Malik Bin A Rahman
Gan Kok Ling

AUDITORS

Mazars PLT
Chartered Accountants
Wisma Golden Eagle Realty
11th Floor, South Block
142-A, Jalan Ampang
50450 Kuala Lumpur
Tel. No. : +603-2702 5222

COMPANY SECRETARIES

Kuan Hui Fang (MIA 16876)
SSM PC No. 202008001235
Tham Wai Ying (MAICSA 7016123)
SSM PC No. 202008001181

REGISTERED OFFICE

Unit 30-01, Level 30, Tower A
Vertical Business Suite, Avenue 3
Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel. No. : +603-2783 9191
Fax No. : +603-2783 9111
Email : info@my.tricorglobal.com

CORPORATE BUSINESS OFFICE

12, Jalan Teluk Gadung 27/93
Section 27
40000 Shah Alam
Selangor Darul Ehsan
Tel. No. : +603-5191 3888
Fax No. : +603-5191 2888
Website : www.cylcorporation.com
Email : ctshin@cylcorporation.com

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn. Bhd.

Office:
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel. No. : +603-2783 9299
Fax No. : +603-2783 9222

Customer Service Centre:
Unit G-3, Ground Floor
Vertical Podium
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

PRINCIPAL BANKERS

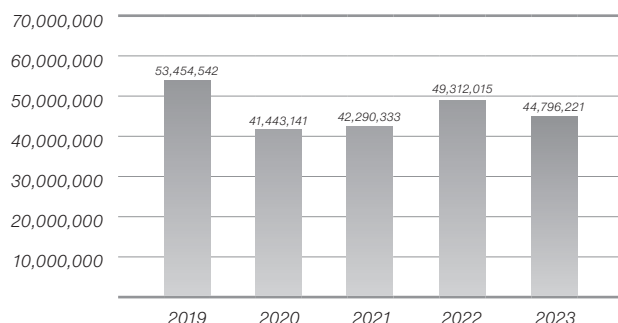
CIMB Bank Berhad
AmBank (M) Berhad
Hong Leong Bank Berhad

STOCK EXCHANGE LISTING

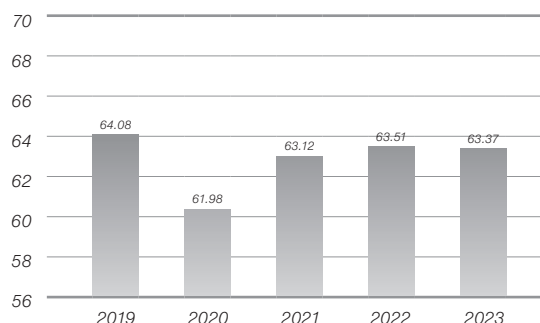
Bursa Malaysia Securities Berhad
Main Market
Sector: Industrial
Stock Name: CYL
Stock Code: 7157

5-YEAR FINANCIAL HIGHLIGHTS

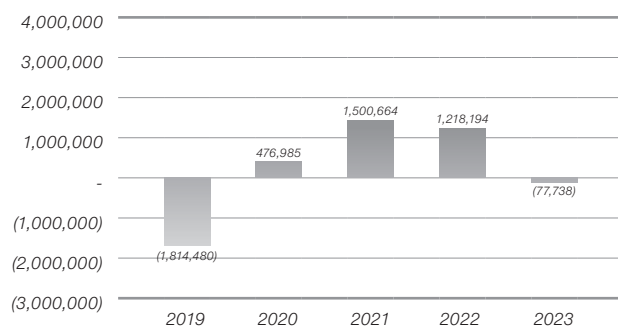
Revenue (RM) - 5-Year Comparison



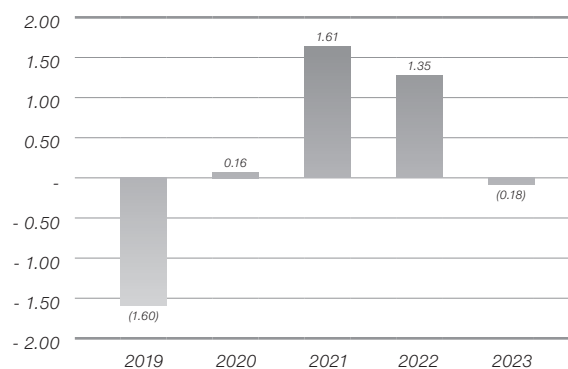
Net Assets per Share (sen) - 5-Year Comparison



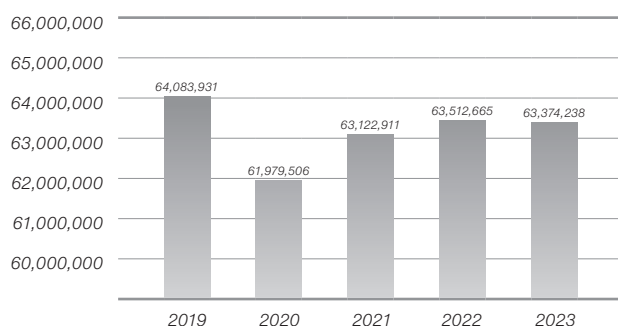
Profit Before Tax (RM) - 5-Year Comparison



Earnings Per Share (sen) - 5-Year Comparison



Shareholders' Fund (RM) - 5-Year Comparison



PROFILE OF THE BOARD OF DIRECTORS

TAN SRI ABU TALIB BIN OTHMAN

Non-Independent Non-Executive Chairman, Malaysian, aged 84, Male

Tan Sri Abu Talib Bin Othman was appointed as the Non-Independent Non-Executive Chairman of CYL Corporation Berhad ("CYL") on 16 September 2002.

He is a Barrister at Law from Lincoln's Inn, United Kingdom. He has served in various capacities in the Judicial and Legal Service of the Government of Malaysia.

He is also the Director of MUI Continental Berhad and KAF Investment Funds Berhad. Save as disclosed, he does not hold any directorship in other public companies and listed issuers.

He is a major shareholder of CYL, details of which are set out on page 79 of the Annual Report 2023.

He has no family relationship with any Director and/or other major shareholder of the Company and has no convictions for any offence within the past five years and has not been imposed any public sanction or penalty by any regulatory bodies during the financial year. He does not have any conflict of interest with the Company.

He attended four out of six Board meetings held during the financial year ended 31 January 2023.

CHEN YAT LEE

Managing Director, Malaysian, aged 82, Male

Mr Chen Yat Lee was appointed as Managing Director of CYL on 6 June 2000. He has more than 49 years of experience in the field of technological support and innovative product development in the plastic related industries. He was one of the first Malaysians to be awarded the German Scholarship to study plastic technology in Suddeutschen Kunststoff-Zentrum, Wurzburg in Germany in 1965.

As the founder and Managing Director of Perusahaan Jaya Plastik (M) Sdn. Bhd. ("PJP"), his responsibilities include developing and planning the overall strategic business direction for the CYL Group. His entrepreneurial skills and vast technical experience have paved the way for the significant growth of PJP from a small rented factory with a workforce of 30 persons to its present size of over 300,000 sq. ft. of built-up factory and warehousing facilities fully

owned by PJP in Shah Alam with a total workforce of 125 employees.

He is a major shareholder of CYL, details of which are set out on page 79 of the Annual Report 2023.

He does not hold any directorship in other public companies and listed issuers. He is the father of Mr Chen Teck Shin, Ms Chen Wai Ling and Mr Chen Teck Sun. He has no convictions for any offence within the past five years and has not been imposed any public sanction or penalty by any regulatory bodies during the financial year. He does not have any conflict of interest with the Company.

He attended all six Board meetings held during the financial year ended 31 January 2023.

CHEN TECK SHIN

Executive Director, Malaysian, aged 44, Male

Mr Chen Teck Shin was appointed as Executive Director of CYL on 23 May 2017. He graduated in 1999 with a Bachelor of Commerce (Economics) Degree and went on to complete a Postgraduate Diploma in Accounting and Masters in Accounting from Macquarie University, Australia in 2000. He is a Chartered Accountant Member of the Malaysian Institute of Accountants. He is also a Certified Practising Accountant (CPA Australia). He was with Deloitte Touche Tohmatsu Tax Services Sdn. Bhd. as senior associate for 3 years before joining PJP in 2004. He is currently heading the Accounts and Human Resources Department of the CYL Group.

He is a major shareholder of CYL, details of which are set out on page 79 of the Annual Report 2023.

He does not hold any directorship in other public companies and listed issuers. He is the son of Mr Chen Yat Lee and brother of Ms Chen Wai Ling and Mr Chen Teck Sun. He has no convictions for any offence within the past five years and has not been imposed any public sanction or penalty by any regulatory bodies during the financial year. He does not have any conflict of interest with the Company.

He attended five out of six Board meetings held during the financial year ended 31 January 2023.

CHEN WAI LING

Executive Director, Malaysian, aged 48, Female

Ms Chen Wai Ling was appointed as Executive Director of CYL on 16 September 2002. She graduated in 1997 with a Bachelor of Commerce degree from the University of Newcastle in Australia. She joined PJP in 1998 and is currently heading the Administration and Purchasing Department of the CYL Group.

She does not hold any directorship in other public companies and listed issuers. She is the daughter of Mr Chen Yat Lee and sister of Mr Chen Teck Shin and Mr Chen Teck Sun. She has no convictions for any offence within

the past five years and has not been imposed any public sanction or penalty by any regulatory bodies during the financial year. She does not have any conflict of interest with the Company.

She attended all six Board meetings held during the financial year ended 31 January 2023.

Details of her shareholdings are set out on page 79 of the Annual Report 2023.

CHEN TECK SUN

Executive Director and also Alternate Director to Chen Yat Lee, Malaysian, aged 47, Male

Mr Chen Teck Sun was appointed as the Alternate Director to Mr Chen Yat Lee on 21 December 2020 and as an Executive Director of CYL on 19 September 2022.

He holds a Foundation Studies Certificate from the University of Newcastle, Australia. He assumed the position of General Manager on 23 March 2014 and is primarily responsible for the CYL Group's Manufacturing Operations, Product Development and Sales Division.

He does not hold any directorship in other public companies and listed issuers. He is the son of Mr Chen Yat Lee and

brother of Mr Chen Teck Shin and Ms Chen Wai Ling. He has no convictions for any offence within the past five years and has not been imposed any public sanction or penalty by any regulatory bodies during the financial year. He does not have any conflict of interest with the Company.

There was only one board meeting held after his appointment as Director and he had attended that meeting.

ABDUL MALIK BIN A RAHMAN

Independent Non-Executive Director, Malaysian, aged 74, Male

Encik Abd Malik Bin A Rahman was appointed as Independent Non-Executive Director and as a member of the Audit Committee, Nomination Committee and Remuneration Committee on 1 February 2023. On 30 March 2023, he was redesignated as the Chairman of the Audit Committee.

Encik Abd Malik is a Chartered Accountant member of the Malaysian Institute of Accountants, a Fellow of the Association of Chartered Certified Accountants (UK) and a member of the Malaysian Institute of Certified Public Accountants. He is also a member of the Malaysian Institute of Management and a Fellow of the Institute of Corporate Directors Malaysia.

During his working career, he held senior management positions at several companies in diverse industries including the manufacturing, oil & gas, fast moving consumerable goods, multi-level marketing and port

logistics segments. He was formerly the Chairman of Affin Hwang Investment Bank Berhad, and formerly served as an Independent Director of Affin Bank Berhad, Affin Hwang Asset Management Berhad, Boustead Heavy Industries Corporation Berhad, Innity Corporation Berhad and Lee Swee Kiat Group Berhad.

He is currently an Independent Director of Mah Sing Group Berhad, AYS Ventures Berhad and Amway (Malaysia) Holdings Berhad. He also serves on the board of a private limited company. Save as disclosed, he does not hold any directorship in other public companies and listed issuers.

He has no family relationship with any Director and/or other major shareholder of the Company and has no convictions for any offence within the past five years and has not been imposed any public sanction or penalty by any regulatory bodies during the financial year. He does not have any conflict of interest with the Company.

TANG SOOK KUEN

Independent Non-Executive Director, Malaysian, aged 47, Female

Madam Tang Sook Kuen was appointed as Independent Non-Executive Director of CYL on 25 February 2019. She is the Chairperson of the Remuneration Committee and a member of the Audit Committee and Nomination Committee.

She obtained her Degree in Accountancy from Universiti Putra Malaysia in 2000. She is a Fellow Member of the Association of Chartered Certified Accountants and Member of the Malaysian Institute of Accountants. She has worked with several companies in the audit, accounts and finance departments between 2002 and 2017. She is currently the managing partner of Shirley Tang & Associates and director of VGS Tax Services Sdn. Bhd.

She does not hold any directorship in other public companies and listed issuers. She has no family relationship with any Director and/or other major shareholder of the Company and has no convictions for any offence within the past five years and has not been imposed any public sanction or penalty by any regulatory bodies during the financial year. She does not have any conflict of interest with the Company.

She attended all six Board meetings held during the financial year ended 31 January 2023.

GAN KOK LING

Independent Non-Executive Director, Malaysian, aged 47, Female

Ms Gan Kok Ling was appointed as Independent Non-Executive Director of CYL on 27 January 2022. She is a member of the Audit Committee, Remuneration Committee and Chairperson of the Nomination Committee.

She obtained her LLB (Hons) from the University of Nottingham, England and has been admitted as an advocate and solicitor of the High Court of Malaya in 1999. She has more than 23 years of experience as an advocate and solicitor in Malaysia and is currently a Partner in the banking and finance department of M/s Adnan Sundra & Low, Kuala Lumpur. In the first 2 years of her practice, she was extensively involved in corporate work including mergers and acquisitions, joint ventures and corporate restructuring exercises as well as real estate matters. Since 2002, she has been primarily involved in banking and finance (including Islamic finance) and debt capital market transactions.

Ms Gan Kok Ling is also an Independent Director of ELK-Desa Resources Berhad and Binasat Communications Berhad. Save as disclosed, she does not hold any directorship in other public companies and listed issuers.

She has no family relationship with any Director and/or other major shareholder of the Company and has no convictions for any offence within the past five years and has not been imposed any public sanction or penalty by any regulatory bodies during the financial year. She does not have any conflict of interest with the Company.

She attended all six Board meetings held during the financial year ended 31 January 2023.

PROFILE OF KEY SENIOR MANAGEMENT

The disclosure on the particulars of Key Senior Management of CYL Group is made in compliance with the requirements under Appendix 9C of Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Key Senior Management of CYL Corporation Berhad comprises the Managing Director, Mr Chen Yat Lee, the Executive Directors Mr Chen Teck Shin, Ms Chen Wai Ling and Mr Chen Teck Sun.

Their profiles can be found under the Profile of the Board of Directors.

CHAIRMAN'S STATEMENT

FINANCIAL REVIEW

For the year under review, the Group turnover amounted to RM44.80 million with a loss amounting to RM77.74 thousand. In the corresponding financial year ended 31 January 2022 ("FYE 2022"), the Group's turnover amounted to RM49.31 million with a profit before tax of RM1.22 million. The Group's lower performance was mainly due to the increase in resin prices which is the Group's main cost driver.

DIVIDENDS

There was no dividend declared or paid during the year under review.

REVIEW OF OPERATIONS

Overall, the performance of the Group has been challenging due to the weak business conditions that prevail in the industry. The Invasion of Ukraine by Russia in February 2022 has caused the price of resin, a derivative of crude oil to spike and at one time hitting an all-time high of RM7,000 per metric tonne. As resin is the Group's main cost driver, the escalation of its price for the year under review has put a dampener on the margins of the Group's products. In the financial year ended 31 January 2023 ("FYE 2023"), the Group remained vigilant in cost management. Capital expenditure has been kept at a minimum. Additionally, the Group is maintaining its strategy of focusing on being lean and efficient in terms of productivity and in optimising resources such as manpower and equipment to meet the increased competitive and cost pressure faced by the industry. With increasing costs and competition, we have to be prudent in

managing our costs and upkeep the quality of our products to enable us to maintain our position as one of the preferred and major packaging players in the industry.

FUTURE PROSPECT

The next 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 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, with the new minimum wage order increased 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. The uncertainty in crude oil price and the volatility of the local currency vis the US dollar will have a direct impact on the costs of raw material. The Board of Directors will continue to focus on improving production efficiency, productivity and processes to enable the Company to continue to improve its performance.

ACKNOWLEDGEMENT

Amidst various challenges to the industry, the Group has remained resilient. This is attributable mainly to the commitment of the management team and staff. On behalf of the Board of Directors, I would like to thank the management team and all employees

for their commitment and dedication throughout the year.

To our valued stakeholders, customers, investors, business partners and shareholders, I wish to extend my appreciation for your contribution, trust and confidence in the Company.

I also wish to record my thanks to my fellow Directors for their advice and support.

Tan Sri Abu Talib Bin Othman
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

Overview of Group's Business and Operations

The Group is mainly involved in the plastics packaging industry through its wholly-owned subsidiary, Perusahaan Jaya Plastik (M) Sdn. Bhd. ("PJP"). The Group has more than 30 years of experience in the industry and is focused on the 5ml and up to the 5,000ml segment of the packaging market. PJP uses advanced moulding technology namely blow moulding, injection moulding and injection blow moulding processes catering to the consumer toiletries and detergent, automotive lubricant, pharmaceutical and food industries. Value added services such as silk screen printing, bottle labelling and shrink tunnel sleeving are also part of the expertise of the Group. Apart from these, PJP also possesses in-house mould making capabilities, making it a one-stop centre for current and potential customers looking for plastics packaging solutions.

PJP's strength lies in its capability to cater to high volume production and warehousing, coupled with a dedication to ensuring and maintaining the quality of our products. The Group stands as one of the preferred plastic packaging manufacturers in the domestic market currently.

Financial comparison for financial year ended 31 January 2023 ("FYE 2023") and financial year ended 31 January 2022 ("FYE 2022")

The Group's revenue for FYE 2023 was RM44.80 million, a decrease of RM4.51 million compared with RM49.31 million for FYE 2022. The lower revenue was mainly attributable to the decrease in sales volume. The price of resin has increased 10% year-on-year settling above RM5,500 per metric tonne ("pmt") level on average throughout the financial year.

The overall sentiment prevailing in the domestic market for FYE 2023 was challenging. As the domestic plastics packaging industry in general is demand elastic, the consumer market slowdown weighed on the overall industry. The Group sees a decrease in sales volume year-on-year across all segments that it caters to except for the food Industry segment. Consumer detergent segment was down with a year-on-year decrease of 20%. The automotive lubricant sector logged a decrease of 22% year-on-year. The food industry supplied by the Group logged an increase in sales of 19% year-on-year.

Total Cost of Goods Sold per Ringgit Malaysia of revenue remained constant year-on-year despite the average increase in the Group's main raw material cost by 10%. This is due to the fact that the revenue generated from the subsidiary decreased by RM9.16 million year-on-year in tandem with the decrease in consumption of raw materials and consumables.

The tax credit for the Group was RM134,259 in FYE 2022. A tax expense of RM97,991 was provided in FYE 2023.

Cash and cash equivalents of the Group increased year-on-year from RM7.03 million as at 31 January 2022 to RM9.72 million in FYE 2023. Capital expenditure in respect of property, plant and equipment was at RM2.57 million for FYE 2022 as compared to RM1.12 million in FYE 2023. The Group does not have any debt as of FYE 2023.

Dividend Policy

The Group does not have any formal dividend policy. There was no payment of dividend in the year under review.

Prospects and Outlook

The uncertain trajectory of the price of crude oil, in which the Group's main raw material pricing is highly correlated

with, will be a major concern to the industry as a whole going into the financial year ending 31 January 2024 ("FYE 2024"). 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 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, with the new minimum wage order increased 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. These factors coupled with the weaker than expected climate in terms of business confidence and consumer sentiment will inherently put a damper on the outlook of the Group for FYE 2024.

Notwithstanding the lacklustre market in general, the Group will continue to focus on cost rationalisation and improving production efficiency, productivity and processes to ensure that costs are kept in check and liquidity is preserved in these highly uncertain economic conditions. All in all, with the weak consumer market environment, we anticipate the performance of the Group to remain challenging.

Forward Looking Statements

This Annual Report contains forward looking statements. Any such statements are subject to risks and uncertainties that could cause the Group's actual results to differ materially. This is especially the case in FYE 2024 due to the uncertain nature surrounding the economic sentiment in general coupled with the geopolitical tensions surrounding the war between Russia and Ukraine.

SUSTAINABILITY STATEMENT

Over the course of more than 30 years, CYL Corporation Berhad (“CYL”), with its wholly-owned subsidiary company, Perusahaan Jaya Plastik (M) Sdn. Bhd., has chartered a growth trajectory to be where it is today. With growth comes the realisation of the significance and impact of our business to the environmental, economic and social (“EES”) aspects in which we operate. This Sustainability Statement is CYL’s commitment to pursue equitable and sustainable growth by ensuring our business operates in an efficient, ethical and responsible manner. We recognise that moving to best practice sustainability performance in line with the requirements of the Main Market Listing Requirements of Bursa

Malaysia Securities Berhad (“Bursa Securities”) is a journey and the Group will strive to integrate the philosophy of sustainability as part of its overall business strategy and culture.

SCOPE OF THE REPORT

Coverage

CYL Corporation Berhad and its wholly-owned subsidiary company, Perusahaan Jaya Plastik (M) Sdn. Bhd.

Reporting Period

This Sustainability Report covers the financial year from 1 February 2022 to 31 January 2023.

Boundary

The disclosures covered in this report are within the following boundaries:

- Principal business activities, and
- Company’s operations.

Audience

This report is published for our valued stakeholders that include investors, customers, suppliers, employees, government, local communities and media.

Sustainability Governance Structure

| | |
|------------------------|---|
| Board of Directors | <ul style="list-style-type: none"> • Review and approve the Group’s strategic direction, taking into consideration the EES risks and opportunities related to our business operations. • Establish relevant sustainability performance measures to be implemented by various departments and assume oversight responsibility in monitoring the achievements of performance measures. • Ensure the integrity of sustainability reporting. |
| Managing Director (MD) | <ul style="list-style-type: none"> • Stewardship of the Group’s direction and day-to-day management and implementation of the Group’s sustainability relevant policy and strategies approved by the Board. • Accountable for the Group’s achievements. • Reports the Group’s achievements against the set corporate objectives on sustainability performance targets to the Board. |

Stakeholders Engagement

Maintaining an open and transparent relationship with our relevant stakeholders continues to be a key driver towards ensuring sustainability at the Company in the long run. As part of our commitment to cultivate continuous engagement, we disclose our stakeholders' engagement methods, topics of interest and frequency in the table below:

| Stakeholder Group | Topic of Interest | Engagement Methods | Frequency of Engagement |
|---|---|--|---|
| Shareholders | • Transparent reporting | • Annual Report | • Annually |
| | | • Corporate website | • Every announcement to Bursa Securities |
| Customers | • Reliable service and on-time delivery | • Customer feedback | • Continuously |
| | • Quality up to specification | • Customer Audits | • Annually |
| | • Competitive pricing | • Operational meetings | • Monthly / quarterly |
| | • Operational efficiency | • Operational meetings | • Daily |
| Employees | • Competitive pay and benefits | • Remuneration is comparable to that offered by other companies in similar markets and industry | • As and when required |
| | • Clear communication | • Internal audit on operations | • Semi Annually |
| | • Work life balance | • Employee performance evaluation | • Annually |
| | • Career growth and opportunities | • Employee performance evaluation | • Annually |
| Regulatory Authorities and Statutory Bodies | • Regulatory compliance | • Fire safety and building inspection by BOMBA. Fire drill training | • Annually |
| | • Corporate governance | • External Audit of Quality Management System by customers; Internal audit program outsourced to an independent firm; improve the board composition by increasing the number of female director and independent director | • Semi Annually |
| | • Risk management | • Safety incident reporting via Safety Committee | • Annually |
| Suppliers | • Timely | • Supplier assessment forms | • During supplier screening or before registering into the Group's system |
| | • Procurement practices | • Anti-Corruption and Bribery Policy | • Continuously |
| | • Supplier Code of Conduct | | |
| Local Community | • CSR | • Employment opportunities through local hiring | • Regularly |
| | • Economic opportunities | | |

ECONOMIC

Financial Performance

The Group's performance can be found in the Management and Discussion Analysis section of the Annual Report 2023 on page 13.

Procurement

The Group also contributes to the Small and Medium Industries by building a professional and mutually beneficial relationship with various suppliers across differing industries, contributing not only to the growth of the Group but also to the growth of our valued suppliers.

ENVIRONMENT

The Group is focused on the efficient use of resources and proper management of waste which is a by-product of the manufacturing process.

Energy, Material and Waste

The investment in automation over the years has not only reduced costs but has also indirectly contributed to minimising wastages of resources used. This more efficient usage of resources and lesser machine hours have indirectly contributed to a smaller carbon footprint due to less kilowatt hours of electricity used per bottle produced. The continuing focus and investment in automation whereby components are controlled electronically instead of hydraulically has contributed to a significant reduction in waste material generated.

The Group has implemented the "switching off" policy at our offices during lunch hour breaks to conserve the use of electricity. Production staff are also advised to turn off auxiliary

equipment that are not in use in an effort to save energy. Furthermore, we are turning to light-emitting diode ("LED") technology by replacing all lightings at our premises with energy efficient LED units.

The Group acknowledges its responsibility in ensuring that the disposal of wastes is done in a proper manner and in accordance with the relevant laws and regulations. During FYE 2023, the Group had engaged the services of a waste recycling company to handle the disposal of polypropylene bags leftover from usage of the Group's main raw material i.e. resin.

To mitigate the unnecessary use of paper in its daily operations, the Group encourages paperless communication via electronic means. Double sided printing and paper sizing reduction is practiced if and when printing is unavoidable. All matters of paper sizing are recycled as much as possible.

The Group is currently solely relying on local electricity supply for our energy consumption. In line with the technological growth in renewable energy, we are currently assessing the feasibility of installing photovoltaic solar systems on the roof of our factories to generate electricity which will further reduce our carbon footprint and generate economic savings to the Group.

SOCIAL

Workplace

The growth of the Group has contributed to the employment of the local communities whereby some employees has been with the Group for over 30 years. The Group works towards instilling a culture of well-being, enabling them to grow

and prosper with the Group. Our employees are offered competitive salaries and benefits coupled with a conducive working environment. In line with the Employment (Amendment) Act 2022 which came into force on 1 January 2023, the Group has abided and implemented the maximum hours per work week of 45 hours, maternity and paternity entitlements, rules governing forced labor and sexual harassment, sick leave and hospitalisation amongst others.

The Group is also committed to creating a safe and healthy environment at our workplace. We have set up a Safety Committee to oversee the occupational health and safety initiatives. Programs and initiatives implemented to achieve greater health and safety awareness amongst our employees include safety and awareness training, cardiopulmonary resuscitation (CPR) and first aid response training. Emergency Response Plan and fire drills were conducted at least once a year (organised together with Jabatan Bomba dan Penyelamat Malaysia).

The Group had on 21 May 2018 adopted and implemented the Whistleblowing Policy for employees to report any issues that they encounter from either their superiors or their subordinates. All employees are encouraged to raise genuine concerns about possible improprieties in matters of financial reporting, compliance and other malpractices at the earliest opportunity, and in an appropriate way.

Employees Welfare

For the well-being of the production employees and in compliance with the Group's policy on occupational health and safety regulations, ear protection plugs are provided to the production

employees. The Group also ensures that all production plants are equipped with fire extinguishers and employees are trained to use them.

The Group provides transportation for workers to their workplace from their place of residence.

The Group also provides clean and well-equipped facilities for the foreign worker lodging. The lodging facilities were certified and approved in compliance with Jabatan Tenaga Kerja requirements.

Training and Development

The Group also provides training to our employees for cultivation of talent within the Group to sustain our growth in the future. Training sessions are recommended based on a needs analysis garnered from feedback communicated by various heads of department.

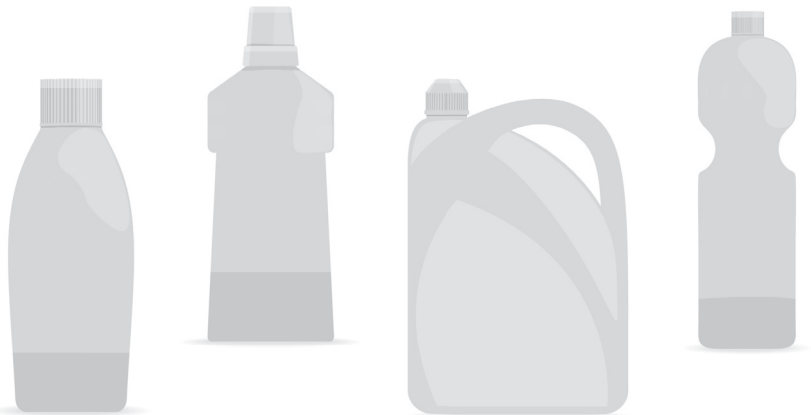
A structured training plan will be implemented at the beginning of each year based on training needs analysis across departments. This will instill a culture of wellbeing, identity and personal growth creating a conducive environment for the employees of the Group.

By conducting trainings, the Group is confident that its employees will be well equipped to perform their duties and tasks in a competent manner.

Minimum Wage

In compliance with the Minimum Wage Order 2022, the Group has since revised upwards the minimum wage amount to RM1,500 effective 1 May 2022.

With the various initiatives conducted, we strive to work towards a sustainable balance between our commitments to our customers and also other stakeholders in the economic environment i.e. our environment via our carbon footprint; our economy via our continuous growth creating a mutually beneficial relationship with our suppliers and sustaining employment for our local communities and our assets by empowering our employees via the various career development initiatives and promoting a conducive, healthy and safety working environment.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“Board”) of CYL Corporation Berhad (“CYL” or “the Company”) and its subsidiary (collectively referred to as the “Group” or “CYL Group”) acknowledges the importance of enhancement of corporate governance practices outlined in the Malaysian Code on Corporate Governance (“MCCG” or “the Code”). It is the Board’s responsibility and commitment to ensure that high standards of corporate governance are being practised in the Group, thereby safeguarding the assets of the Group and its shareholders’ investments. The Board believes that it has substantially applied the recommendations set out in the Code.

The Board is pleased to report an overview on the extent to which the Principles set out in the Code were applied throughout the financial year ended 31 January 2023 (“FYE

2023”) in this Corporate Governance (“CG”) Overview Statement. The application of the Practices set out in the Code throughout FYE 2023 is also disclosed to Bursa Malaysia Securities Berhad (“Bursa Securities”) in the CG Report which are available on the Company’s corporate website at www.cylcorporation.com.

The Board considers that the Company has applied all Practices under the MCCG with the exception of the following Practice:-

- Practice 1.4 (The Chairman of the Board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee);
- Practice 4.1 (The Board together with management takes responsibility for the governance of sustainability in the company

including setting the company’s sustainability strategies, priorities and targets);

- Practice 4.2 (The Board ensures that the company’s sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders);
- Practice 4.3 (The Board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities); and
- Practice 5.2 (At least half of the board comprises independent directors).

The explanation for the departures is disclosed in the CG Report.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

1. Roles and Responsibilities

The Board takes full responsibility for the overall direction and performance of the Group. The role of Management is to run the general business operations and activities and manage the Group’s financial matters in accordance with established delegated authority from the Board.

Matters reserved for Board deliberation and decision are broadly categorised as below:-

- Leadership and Strategy;
- Capital and Structure;
- Financial and Risk Management;
- Human Capital;
- Stakeholders; and
- Statutory, Regulatory and Administrative matters.

The Board assumes the following duties and responsibilities:-

- together with Senior Management, promote good corporate governance culture within the Company which reinforces ethical, prudent and professional behaviour;
- review, challenge and decide on Management’s proposals for the Company, and monitor its implementation by Management;
- ensure that the strategic plan of the Company supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;
- supervise and assess Management’s performance to determine whether the business is being properly managed;

- ensure there is a sound framework for internal controls and risk management;
- understand the principal risks of the Company’s business and recognise that business decisions involve the taking of appropriate risks;
- set the risk appetite within which the Board expects Management to operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;
- ensure Senior Management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of Board and Senior Management;
- ensure the Company has in place procedures to enable effective communication with stakeholders;

- ensure all Directors are able to understand financial statements and form a view on the information presented; and
- ensure the integrity of the Company's financial and non-financial reporting.

To facilitate the discharge of the Board's responsibility and oversight role, the Board is assisted by various Board Committees, namely the Audit Committee ("AC"), Nomination Committee ("NC") and Remuneration Committee ("RC"), which have been established with Terms of Reference setting out their duties and responsibilities. The Chairman of the respective Board Committees reports regularly to the Board on the outcome of the Board Committee meetings, updates the Board on significant issues and concerns discussed and makes the necessary recommendations to the Board.

The Board is collectively responsible for any decision taken by any Board Committee. A Board Committee may only perform the tasks delegated to it by the Board and should not exceed the authority conferred on it by the Board. Decisions which by law should be made by the Board shall not be delegated to a Board Committee.

2. Chairman and Managing Director

The positions of Chairman and Managing Director ("MD") are held by different individuals. The Chairman of the Board is a Non-Independent Non-Executive Director. There is a clear division of responsibilities between the Chairman and MD of the Company to ensure a balance of power and authority. The Chairman's responsibility is to ensure the effectiveness of the Board while the MD is responsible for overall operations and effective implementation of the Board's decisions and policies.

The responsibilities of the Chairman, amongst others, are as follows:-

- leading the Board in setting its values, ethical standards and good corporate governance practices in the Group;
- developing corporate strategies;
- attaining long-term growth objectives of the Group;
- leading Board discussions, encourage active participation and allowing dissenting views to be freely expressed;
- setting the agenda for Board Meetings with assistance of the Company Secretary and ensuring all relevant issues for the effective running of the Group's businesses are on the agenda;
- managing the interface between Board and Management;
- ensuring proper flow of information to the Board, reviewing adequacy and timing of documentary materials in support of Management's proposal and review of performance of the Company and/or Group;
- ensuring effective communication with shareholders and relevant stakeholders;
- ensuring compliance with all relevant regulations and legislations; and
- presiding over the Board and general meetings of the Company.

The responsibilities of the MD are as follows:-

- oversee the day-to-day operations of the Group and implement the strategies, plans, budgets and policies approved by the Board;
- develop and recommend to the Board the strategic business plans, annual operating plans and budgets that support the Group's short-term and long-term strategies in consultation with the Chairman;
- monitor the performance of the Group against the performance and sustainability targets and reporting to the Board;

- provide strong leadership to employees of the Group;
- act as a liaison between the Board and Management;
- drive strategic management of material sustainability matters;
- assess business opportunities which are of potential benefit to the Group;
- assess the principal risks of the Group and ensuring that these risks are being monitored and managed;
- communicate effectively with shareholders, employees, Government authorities, other stakeholders and the public;
- keep the Board fully informed of all important aspects of the Group's operations and bring material and other relevant matters to the attention of the Board in an accurate and timely manner;
- ensure effective internal controls and legal compliance and governance measures are deployed; and
- act within specific authorities delegated by the Board and ensure the limits of authority accorded by the Board are observed.

3. Qualified and Competent Company Secretaries

The Board is supported by qualified Company Secretaries. The Company Secretaries ensure that the Board's actions and policies are in compliance with the relevant regulatory requirements i.e. Main Market Listing Requirements ("MMLR") of Bursa Securities and companies legislation related to the Group. The Company Secretaries attend meetings of the Board and shareholders and ensure that the meeting proceedings are properly convened and recorded.

The Company Secretaries also serve notices to the Directors and Principal Officers on the closed periods for trading in CYL's shares pursuant to Chapter 14 of the MMLR of Bursa Securities.

Both Company Secretaries are qualified to act as secretaries under Section 235(2) of the Companies Act 2016. The Board is satisfied with the performance and support rendered by the Company Secretaries in assisting them to discharge their duties.

4. Access to Information and Independent Advice

All Directors have full unrestricted access to timely information pertaining to the Company. The agenda for every Board and Board Committees meeting, together with a set of Board and Board Committees papers are furnished to all Directors for their perusal prior to the Board and Board Committees meetings. This is to ensure sufficient time is given to enable the Directors to review and consider the agenda items to be deliberated at the Board and Board Committees meetings. The Board and Board Committees papers include, amongst others, quarterly financial reports, year-end financial statements of the Group and annual budget. The Board can at any time request for additional information pertaining to any agenda items to be deliberated prior to or post Board and Board Committees meeting. In most instances, the senior management are invited to be in attendance at Board meetings to provide insight and to furnish clarification on issues that may be raised by the Board.

The Directors, collectively or individually, have unrestricted access to the advice and services of the Company Secretaries, senior management and independent professional advisers including the External Auditors, at the Company's expense.

The Directors may exercise their right to obtain independent professional advice and information in accordance with the steps set out in the Board Charter.

5. Board Charter

The Charter provides guidance for Directors and Management regarding the responsibilities of the Board, its Board Committees and Management, the requirements of Directors in carrying out their stewardship role and in discharging their duties towards the Company as well as boardroom activities.

The Board Charter shall be periodically reviewed and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's duties and responsibilities. The Board Charter is available for reference in the Company's corporate website at www.cylcorporation.com.

6. Formalised Ethical Standards through Code of Conduct, Whistleblowing Policy and Anti-Corruption and Bribery Policy

The Board is committed to creating an environment whereby ethics and professionalism are placed in the highest priority in line with good corporate governance practices. The Board shall observe and adhere to the Code of Conduct. The Board has also adopted Whistleblowing Policy and Anti-Corruption and Bribery Policy.

The Code of Conduct, Whistleblowing Policy and Anti-Corruption and Bribery Policy are available on the Company's corporate website at www.cylcorporation.com.

7. Composition of the Board

The Board consists of four (4) Executive Directors, three (3) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director.

The Directors' profiles are presented on pages 8 to 11 of the Annual Report 2023.

Following the resignation of Mr Ong Chong Chee on 30 November 2022, the Company had appointed a new Independent Director, Encik Abd Malik Bin A Rahman to the Board on 1 February 2023 to fill in the vacancy.

The Board carries out an annual assessment on the Directors and Board Committees. The Board, having taken into consideration the size of the Group, is of the view that the Directors, with their different background and specialisation, collectively bring with them a wide range of experience and expertise to enable the Board to lead and control the Group effectively. The Chairman is a Non-Independent Non-Executive Director and is not involved in the daily operations of the Company. As Chairman, he ensures proper balance of power and authority on the Board by encouraging robust discussions during meetings.

The Independent Non-Executive Directors also provide an element of objectivity, independent views, evaluations, check and balance on Board deliberations and decisions. This ensures that the interests of the Group, shareholders, employees, customers, suppliers and other business associates are safeguarded.

The Independent Non-Executive Directors are persons of high calibre, credibility and have the skills and experience to bring an independent judgement on issues of strategy, performance and resources including key appointments and standards of conduct. The Independent Non-Executive Directors constitute more than one-third of the membership of the Board.

8. Tenure of an Independent Director

The Board assesses the independence of the Independent Non-Executive Directors annually. The Independent Non-Executive Directors with their

varied backgrounds bring with them an external perspective, helping to develop and strengthen the Company's policies and procedure contributing to the strategy and goals of the Company by being objective and assessing the business direction in an unbiased perspective.

The Board has assessed the independence of the Independent Non-Executive Directors and is satisfied with the level of independence demonstrated.

In accordance with the Company's Board Charter, the tenure of an Independent Non-Executive Director should not exceed a cumulative term limit of nine (9) years. Upon completion of the nine (9) years, an Independent Non-Executive Director may continue to serve on the Board, subject to the director's re-designation as a Non-Independent Director.

The Board must provide justification and seek annual shareholders' approval in the event it intends to retain an Independent Non-Executive Director who has served in that capacity for more than nine (9) years, through a two-tier voting process – Tier 1: only the large shareholder(s) and Tier 2: shareholders other than large shareholders, in accordance with the MCCG.

The Company does not have any Independent Non-Executive Director who has served for a term exceeding nine (9) years.

The Board has through the NC, assessed Madam Tang Sook Kuen and Ms Gan Kok Ling and is satisfied that they are independent and free from any relationship or conflict of interest situation, which could impair their objectivity and independence and is not aware of any existing or potential conflict of interest between the Independent Non-Executive Directors and the Group. They have also fulfilled

the criteria under the definition of "Independent Director" stated in Paragraph 1.01 of the MMLR of Bursa Securities.

9. Boardroom Diversity

The Board has adopted the Boardroom Diversity Policy. The Board's policy is to consider candidates from various backgrounds, without discrimination to gender, age and ethnicity when deciding on appointments to the Board. An overriding principle is that all appointments to the Board will be based upon merit, experience, qualification, character, time commitment and integrity and contribution the candidates may bring to the Board.

Although the Company has not set any specific target for female directors on the Board, more than 30% of the Board is made up of female Directors. The Company has not set any specific target for age and ethnic diversity in the boardroom but will continue to review the composition of the Board with a view of having a well-balanced age diversity and multi-ethnicity representation on the Board.

The Boardroom Diversity Policy can be found at the Company's corporate website at www.cylcorporation.com.

10. Sourcing of Directors and Chairmanship of the NC

The NC is tasked by the Board to make independent recommendations for appointments to the Board. Appointment of Directors shall be based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

In making these recommendations, the NC shall assess the suitability of candidates, taking into account the character, integrity, competence, professionalism, time commitment

and other qualities of the candidates, before recommending their appointments to the Board for approval.

The Company Secretaries will ensure that all appointments are properly made, and that legal and regulatory requirements are complied with.

On 19 September 2022, the Board, based on the recommendation of the NC, appointed a new Executive Director, Mr Chen Teck Sun. He is also the Alternate Director of Mr Chen Yat Lee.

Prior to his appointment, the NC had reviewed the results of the fit and propriety assessment on him. The NC expressed confidence in Mr Chen Teck Sun's character, experience, integrity, competence and time to effectively discharge his role as an Executive Director of the Group. His extensive knowledge of the Group's operations and strategies have enabled the Group to pursue goals and objectives.

On 1 February 2023, the Board appointed a new Independent Non-Executive Director, Encik Abd Malik Bin A Rahman. He was a former Independent Non-Executive Director of the Company, from 16 September 2002 till 1 December 2018, who had resigned due to the restriction on the number of directorships allowed for his board seat in a financial institution.

Prior to his appointment on 1 February 2023, the NC had reviewed the results of the fit and propriety assessment on him as well as conducted an assessment on his independence. The NC found him to be independent in character and judgement. His familiarity with the Group's business structure was an added advantage.

Based on the recommendation of the NC, the Board agreed to the appointment of Encik Abd Malik Bin A Rahman as an Independent Non-

Executive Director and a member of the AC, NC and RC of the Company.

The NC was previously chaired by Madam Tang Sook Kuen but she was redesignated as a member of the NC on 30 March 2023. Ms Gan Kok Ling, who is an Independent Non-Executive Director, is the current Chairperson of the NC.

The Terms of Reference of NC is available for reference in the Company's corporate website at www.cylcorporation.com.

11. NC

The NC comprises three (3) members, all of whom are Independent Non-Executive Directors.

The composition of the NC is set out on page 6 of the Annual Report 2023.

The NC meets at least once a year. The attendance of the NC members during FYE 2023 is as follows:-

| Name of NC Members | No. of meetings attended |
|--|--------------------------|
| Tang Sook Kuen (<i>Chairperson</i>) (<i>Redesignated from Chairperson to Member on 30 March 2023</i>) | 5/5 (100%) |
| Gan Kok Ling (<i>Redesignated from Member to Chairperson on 30 March 2023</i>) | 5/5 (100%) |
| Tan Sri Abu Talib Bin Othman (<i>Relinquished his membership on 30 March 2023</i>) | 3/5 (60%) |
| Ong Chong Chee (<i>Resigned on 30 November 2022</i>) | 4/4 (100%) |

12. Board Assessment

The NC evaluates the performance of the Board members on an annual basis. The Board committees are also reviewed annually by the NC for their performance and effectiveness.

The annual exercise involves Directors completing questionnaires covering the assessment of the Board and Board Committee's performance, assessment

of individual Directors (self and peer evaluation), assessment on mix of skill, experience and size of the Board and assessment on independence amongst others.

The Directors' responses are then collated by the Company Secretaries and a summary of the findings would be submitted to the NC for deliberation. The NC would review the summary, assess and make recommendations to the Board.

The Board, upon the assessment and recommendation made by the NC, is satisfied and believed that the individual Directors appointed to the Board are of high calibre, integrity and experienced and can be entrusted to discharge their duties and responsibilities effectively.

13. Summary of Activities undertaken by the NC

The following activities were undertaken by the NC for FYE 2023:-

a) reviewed and assessed the tenure of Directors, mix of skills, experience, size and other qualities, including core competencies and effectiveness of the Board and Board Committees as a whole as well as the contribution from each of the individual Director of the Company. The evaluation process included a self and peer review assessment;

b) assessed the independence of the Independent Non-Executive Directors based on the criteria set out in the MMLR of Bursa Securities;

c) reviewed and recommended to the Board on the re-election of Directors based on the assessment conducted;

d) reviewed and recommended to the Board, the Directors' Fit and Proper Policy;

e) considered (after having carried out the fit and proper assessment in accordance with the Directors' Fit and Proper Policy) and recommended to the Board, the appointment of Mr Chen Teck Sun as an Executive Director; and

f) considered (after having carried out the fit and proper assessment in accordance with the Directors' Fit and Proper Policy) and recommended to the Board, the appointment of Encik Abd Malik Bin A Rahman as an Independent Non-Executive Director and member of AC, NC and RC.

14. Re-election of Directors

In accordance with the Constitution of the Company ("Constitution"), all Directors who are appointed by the Board shall retire from office and are subject to election by shareholders at the Company's next Annual General Meeting ("AGM") after their appointment.

The Constitution also provides that one-third (1/3rd) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3rd), shall retire from office at the conclusion of the AGM in every year provided always that all Directors shall retire from office once at least in each three (3) years. A retiring Director shall retain

office until the close of the meeting at which he/she retires and shall be eligible for re-election.

This provides an opportunity for shareholders to renew their mandates. The election of each Director is voted on separately.

The NC had carried out the fit and proper assessment of the following Directors who are retiring pursuant to Clause 76(3) of the Constitution and subject to re-election at the Twenty-Third AGM, and the Board was satisfied with the evaluation of their performance and contributions including their fitness and propriety:-

- a. Tan Sri Abu Talib Bin Othman; and
- b. Mr Chen Teck Shin.

Mr Chen Teck Sun, who was appointed as the Executive Director of the Company on 19 September 2022 and Encik Abd Malik Bin A Rahman, who was appointed as the Independent Non-Executive Director of the Company on 1 February 2023, will be subject to retirement pursuant to Clause 78 of the Constitution. The NC had also carried out the fit and proper assessment of both Mr Chen Teck Sun and Encik Abd Malik Bin A Rahman before recommending the Board to table the resolution on their re-election at the Twenty-Third AGM.

15. Time Commitment of the Directors

The Company expects the Directors to give their time commitment in carrying out their duties and responsibilities as a Director. This includes at least 50% attendance at the Board meetings held in each financial year. Directors are also required to attend regular meetings of any Board Committees of which they are a member of. In addition, they would be expected to devote appropriate preparation time ahead of each meeting.

The Board held six (6) meetings during the financial year to discuss the performance of the Group.

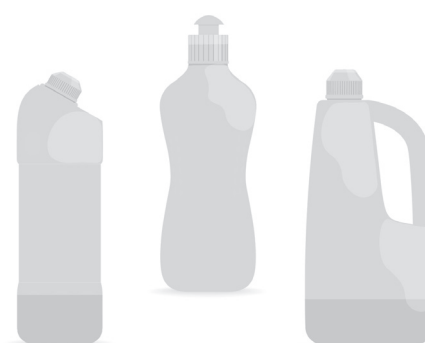
The agenda of each Board meeting is circulated to all the Directors in advance for their perusal and understanding. Before the beginning of each calendar year, an annual meeting calendar is prepared and circulated to Directors for their forward planning. The attendance of the Board members during FYE 2023 is as follows:-

| Name of Directors | No. of Board meetings attended during the financial year |
|--|--|
| Tan Sri Abu Talib Bin Othman (Chairman) | 4/6 (67%) |
| Chen Yat Lee | 6/6 (100%) |
| Chen Teck Shin | 5/6 (83%) |
| Chen Wai Ling | 6/6 (100%) |
| Chen Teck Sun (Appointed as the Executive Director on 19 September 2022) (Also the Alternate Director to Chen Yat Lee) | 1/1 (100%) |
| Tang Sook Kuen | 6/6 (100%) |
| Gan Kok Ling | 6/6 (100%) |
| Ong Chong Chee (Resigned on 30 November 2022) | 5/5 (100%) |

To fulfil their roles and responsibilities, each Director holds no more than five (5) directorships in listed corporations in accordance with Paragraph 15.06 of the MMLR of Bursa Securities. All Directors of the Company currently adhere to this requirement. The Directors are also required to notify the Board's Chairman when accepting new directorships in other companies. Such notification is expected to include an indication of time that will be spent on the new appointment.

16. Continuing Education and Training of Directors

The Board constantly reminds and encourages its Directors to attend training programmes, seminar, courses and conferences to enhance their skills and knowledge to enable them to discharge their fiduciary duties to the Company. All Directors have completed the Mandatory Accreditation Programme required by Bursa Securities.



The training programmes/ seminars/ courses/ conferences attended by the Directors during FYE 2023 are as below:-

| Directors | List of Training Programmes/ Seminars/ Courses/ Conferences Attended | Date(s) of Attendance |
|------------------------------|---|---|
| Tan Sri Abu Talib Bin Othman | <ul style="list-style-type: none"> Board Cybersecurity Awareness Program AMLA E-Training Board Cybersecurity Awareness Program | 10 February 2022 22 July 2022 16 November 2022 |
| Chen Yat Lee | <ul style="list-style-type: none"> Sustainability Management and Reporting - What this entails and how the Board and Management go about managing and reporting sustainability practices | 3 October 2022 |
| Chen Teck Shin | <ul style="list-style-type: none"> Sustainability Management and Reporting - What this entails and how the Board and Management go about managing and reporting sustainability practices BOSS.NET Training EA and BIK Seminar 2022 | 3 October 2022 4 January 2023 |
| Chen Wai Ling | <ul style="list-style-type: none"> Sustainability Management and Reporting - What this entails and how the Board and Management go about managing and reporting sustainability practices BOSS.NET Productive Refresher BOSS.NET EA and BIK Virtual Training | 3 October 2022 16 December 2022 6 January 2023 |
| Chen Teck Sun | <ul style="list-style-type: none"> Assessing Your Organizational Culture Sustainability and its Impact on Organisations | 22 June 2022 6 July 2022 |
| Tang Sook Kuen | <ul style="list-style-type: none"> Sustainability Management and Reporting - What this entails and how the Board and Management go about managing and reporting sustainability practices Audit Oversight Board Conversation with Audit Committees | 3 October 2022 17 November 2022 |
| Gan Kok Ling | <ul style="list-style-type: none"> Mandatory Accreditation Programme Sustainability Management and Reporting - What this entails and how the Board and Management go about managing and reporting sustainability practices Anti-Bribery Training/Communication for Board Members Amendment to the MMLR and Board's role on Sustainability Reporting | 23-25 May 2022 3 October 2022 30 November 2022 13 January 2023 |

The Directors are also briefed by the Company Secretaries, Internal Auditors and External Auditors on updates or changes to the relevant guidelines on the regulatory and statutory requirements at Board meetings and AC meetings.

17. Remuneration Policy and Remuneration of Directors and Senior Management

The Company has established the RC on 24 December 2003. The RC was set up to assist the Board in assessing the remuneration packages of the Executive Directors and Non-Executive Directors of the Company.

The RC comprises three (3) members, all of whom are Independent Non-Executive Directors.

The composition of the RC is set out on page 6 of the Annual Report 2023.

The RC meets at least once a year. The attendance of the RC members during FYE 2023 is as follows:-

| Name of RC Members | No. of meetings attended |
|---|--------------------------|
| Tan Sri Abu Talib Bin Othman (<i>Chairman</i>) (<i>Relinquished his membership on 30 March 2023</i>) | 2/4 (50%) |
| Tang Sook Kuen (<i>Redesignated from Member to Chairperson on 30 March 2023</i>) | 4/4 (100%) |
| Gan Kok Ling | 4/4 (100%) |
| Ong Chong Chee (<i>Resigned on 30 November 2022</i>) | 3/3 (100%) |

The MCCG states that remuneration for Directors and Senior Management should be determined so as to ensure that the Company attracts, retains and motivates the right talent in the Board and Senior Management to run the Company efficiently. The remuneration for MD and Executive Directors are

structured so as to link reward to corporate and individual performance.

In the case of Non-Executive Directors, the Board believes that the level of remuneration should reflect the level of experience and responsibilities undertaken by the respective Directors.

The Board has formally established and adopted the Remuneration Policy for Directors and Senior Management. The Remuneration Policy can be accessed on the Company's corporate website at www.cylcorporation.com.

The details of remuneration of Directors of the Company for FYE 2023 are as follows:-

| (in RM) | | | | | | |
|---|----------------|-----------------------|----------|----------------|------------------|------------------|
| | Fees | Salary and allowances | Bonus | EPF | Benefits-in-kind | Total |
| Company | | | | | | |
| Chen Yat Lee | - | - | - | - | - | - |
| Chen Teck Shin | - | - | - | - | - | - |
| Chen Wai Ling | - | - | - | - | - | - |
| Chen Teck Sun <i>(also the Alternate Director to Chen Yat Lee)</i> | - | - | - | - | - | - |
| Tan Sri Abu Talib Bin Othman | - | 3,000 | - | - | - | 3,000 |
| Gan Kok Ling | 48,000 | 4,000 | - | - | - | 52,000 |
| Tang Sook Kuen | 48,000 | 4,000 | - | - | - | 52,000 |
| Ong Chong Chee <i>(Resigned on 30 November 2022)</i> | 40,000 | 3,500 | - | - | - | 43,500 |
| Total | 136,000 | 14,500 | - | - | - | 150,500 |
| Group | | | | | | |
| Chen Yat Lee | - | 543,721 | - | 65,256 | - | 608,977 |
| Chen Teck Shin | - | 336,000 | - | 40,320 | - | 376,320 |
| Chen Wai Ling | - | 288,000 | - | 34,560 | - | 322,560 |
| Chen Teck Sun <i>(Alternate Director to Chen Yat Lee)</i> | - | 384,000 | - | 46,080 | - | 430,080 |
| Tan Sri Abu Talib Bin Othman | 168,000 | 3,000 | - | - | - | 171,000 |
| Gan Kok Ling | 48,000 | 4,000 | - | - | - | 52,000 |
| Tang Sook Kuen | 48,000 | 4,000 | - | - | - | 52,000 |
| Ong Chong Chee <i>(Resigned on 30 November 2022)</i> | 40,000 | 3,500 | - | - | - | 43,500 |
| Total | 304,000 | 1,566,221 | - | 186,216 | - | 2,056,437 |

The Key Senior Management of CYL Corporation Berhad comprises the MD, Mr Chen Yat Lee, the Executive Directors, Mr Chen Teck Shin, Ms Chen Wai Ling and Mr Chen Teck Sun, who is also the alternate Director to Mr Chen Yat Lee. The details of their remuneration can be found in the details of the remuneration of Directors.

18. Summary of activities undertaken by the RC

The following activities were undertaken by the RC for FYE 2023:-

- (a) reviewed and recommended to the Board, the remuneration packages for the MD and Executive Director; and

- (b) reviewed and recommended to the Board, the fees and benefits for the Non-Executive Directors of the Group.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

1. AC

The Chairman of the AC is an Independent Director and he is not the Chairman of the Board.

All members of the AC are Independent Non-Executive Directors.

The AC Report is set out on pages 29 to 31 of the Annual Report 2023.

2. Oversight of External Auditors by the AC

The Company has established and maintained an appropriate and transparent relationship with the Company's External Auditors, Mazars PLT, in seeking professional advice and ensuring compliance with the accounting standards in Malaysia. The AC met the External Auditors twice during the financial year without the presence of the Executive Directors and executive team. The practice of periodically rotating the audit engagement partner, engagement quality control review partner and key audit partners ensures an independent relationship between the Company and the External Auditors. Apart from that, during the audit planning stage, independence is further enhanced with the External Auditors providing a summary of their internal policy and important safeguards and procedures to address threats to the independence and objectivity of the audit.

The AC assesses the level of service provided by the External Auditors, taking into account the following criteria, amongst others:

- quality and rigour of their audit;
- quality of service provided;
- internal quality control procedures;
- effectiveness and timeliness of their communication and report to the Board and/or the AC;
- independence (both in fact and appearance) and objectivity; and
- appropriateness of the proposed fees to support a quality audit.

Mazars PLT has declared to the AC that they are independent from the Group and in compliance with the independence requirements set out in the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants and Code of Conduct for Objectivity and Independence of Mazars PLT.

On 30 March 2023, the AC conducted an annual assessment on the External Auditors. The AC, having assessed the independence of Mazars PLT as well as reviewed the level of non-audit services rendered by them for FYE 2023, was satisfied with their suitability, objectivity and independence. The Board, based on the AC's recommendation, will be tabling their re-appointment for shareholders' approval at the Twenty-Third AGM.

3. Financial literacy of the AC

The Board relies upon the AC to, amongst others, provide advice in the areas of financial reporting, external audit, internal control environment and provide oversight on the risk management framework of the Group.

Directors including the AC members continue to undergo training

periodically during the financial year, based on individual learning requirements as well as financial and corporate developments.

4. Risk Management and Internal Control Framework

The Board acknowledges its overall responsibility for maintaining a system of internal controls, which provides reasonable assurance of effective and efficient operations and compliance with laws and regulations as well as with internal financial administration procedures and guidelines.

The Group's Statement on Risk Management and Internal Control is set out on pages 32 to 33 of the Annual Report 2023.

The Board acknowledges the need to maintain a sound system of internal controls within the Group in order to safeguard shareholders' interest of the Group's assets. The internal audit activities of the Group are carried out according to an annual internal audit plan approved by the AC.

The internal audit function is outsourced to an independent professional services firm namely Kloo Point Risk Management Services Sdn. Bhd. to assist the AC in assuming the task of internal control review and risk assessment functions of the Group. Areas for improvement were highlighted and the implementation of recommendations was monitored. The Internal Auditors report directly to the AC.

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

1. Communication with Stakeholders

The Board acknowledges the need for the shareholders to be informed on all material business matters affecting the Group. In addition to the various announcements made, the timely release of financial results on a quarterly basis provides shareholders and the investing public with an overview of the Group's performance and operations. The Board has adopted the Corporate Disclosure Policy which is made available for reference on the Company's corporate website at www.cylcorporation.com.

2. Leverage on Information Technology for Effective Dissemination of Information

Shareholders are invited to access the Company's corporate website at www.cylcorporation.com as well as Bursa Securities' corporate website at www.bursamalaysia.com to obtain the latest information of the Group. The relevant announcements such as quarterly financial results of the Company and dividend declared by the Company can be accessed via the Newsroom section of the corporate website.

3. Conduct of General Meetings

The Board encourages participation of shareholders at every general meeting of the Company and opportunity is given to the shareholders to make relevant enquiries and seek clarification on the Group's business activities and financial performance.

The Notice of the Twenty-Second AGM was issued more than one (1) month in advanced of the meeting. This would give shareholders more time to go through the Annual Report.

The Twenty-Second AGM held on 28 July 2022 was conducted physically at Ballroom 2, LG Level, Eastin Hotel, 13, Jalan 16/11, Pusat Dagang Seksyen 16, 46350 Petaling Jaya, Selangor Darul Ehsan. All Directors were present to engage directly with shareholders and be accountable for their stewardship of the Company. The Chairman invited the members, corporate representatives and proxies who were present to raise questions pertaining to the Company's Audited Financial Statements and proposed resolutions as set out in the Notice of the Twenty-Second AGM, before putting the resolutions to vote. The Senior Management and External Auditors were also present to respond to queries from shareholders.

4. Encourage Poll Voting

Pursuant to Paragraph 8.29A of the MMLR of Bursa Securities, any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, must be voted by poll. At least one (1) independent scrutineer must be appointed to validate the votes cast at the general meeting.

At the Twenty-Second AGM held on 28 July 2022, all resolutions set out in the Notice were voted by way of poll. Shareholders attended and voted physically at the Twenty-Second AGM of the Company. The Company would be conducting the voting by poll on all resolutions tabled at the Twenty-Third AGM which will be held on 20 July 2023. An independent scrutineer will be appointed to validate the votes cast at the AGM.

5. Effective Communication and Proactive Management

In maintaining the commitment to effective communication with shareholders, the Group adopts the practice of comprehensive, timely and continuing disclosures of information to its shareholders as well as to the general investing public. The practice of disclosure of information is not just established to comply with the requirements of the MMLR of Bursa Securities pertaining to continuing disclosures, it also adopts the best practices as recommended in the MCCG with regard to strengthening engagement and communication with shareholders. Where possible and applicable, the Group also provides additional disclosure of information on a voluntary basis.

The Annual Report is the main channel of communication between the Company and its shareholders. The Annual Report communicates comprehensive information of the financial results and activities undertaken by the Group. As a listed issuer, the contents and disclosure requirements of the Annual Report are also governed by the MMLR of Bursa Securities.

Another key avenue of communication with its shareholders is the Company's AGM, which provides a useful forum for shareholders to engage directly with the Directors.

6. Compliance and Applicable Financial Reporting Standards

The Board aims to provide and present a true and fair view of the Group's financial performance and prospects at the end of the financial year, primarily through the annual financial statements

and quarterly announcements of results to the shareholders as well as the Chairman's statement in the Annual Report. The Board is assisted by the AC to oversee the Group's financial reporting processes and the quality of its financial reporting.

In preparing the financial statements, the Directors have selected and applied consistently suitable accounting policies and made reasonable and prudent judgements and estimates. The

financial statements are prepared in compliance with Malaysian Financial Reporting Standards and disclosure requirements of the MMLR of Bursa Securities. The Directors also have a general responsibility for taking such steps to safeguard the assets of the Group and to prevent and detect fraud and irregularities. The Board deliberated on the quarterly financial results through the analysis of income and expenditures against budget, previous quarter and previous year's corresponding quarter.

OTHER COMPLIANCE INFORMATION

(Pursuant to Paragraph 9.25(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

MATERIAL CONTRACTS

There were no material contracts of the Company and its subsidiary company involving the interest of Directors and/or substantial shareholders entered into since the end of the financial year.

UTILISATION OF PROCEEDS

The Company did not raise funds through any corporate proposals during the financial year.

RECURRENT RELATED PARTY TRANSACTIONS ("RRPT") OF A REVENUE OR TRADING NATURE

The Company did not seek any shareholders' mandate in respect of RRPT of a revenue or trading nature.

AUDIT AND NON-AUDIT FEE

The audit and non-audit fees paid or payable by the Company and the Group to the External Auditors and their affiliated companies for the financial year ended 31 January 2023 are set out as below:-

| Fee | Company (in RM) | Group (in RM) |
|-----------|--------------------|------------------|
| Audit | 36,000 | 95,000 |
| Non-audit | 5,000 | 5,000 |

AUDIT COMMITTEE REPORT

COMPOSITION

Throughout the financial year ended 31 January 2023 (“FYE 2023”), the Audit Committee (“AC”) comprised:-

| Name | Membership | Designation |
|--|-------------|--|
| Tang Sook Kuen* <i>(Redesignated from Chairperson to Member on 30 March 2023)</i> | Chairperson | Independent Non-Executive Director |
| Abd Malik Bin A Rahman* <i>(Appointed on 1 February 2023 & Redesignated from Member to Chairman on 30 March 2023)</i> | Member | Independent Non-Executive Director |
| Gan Kok Ling | Member | Independent Non-Executive Director |
| Tan Sri Abu Talib Bin Othman <i>(Relinquished his membership on 30 March 2023)</i> | Member | Non-Independent Non-Executive Director |
| Ong Chong Chee* <i>(Resigned on 30 November 2022)</i> | Member | Independent Non-Executive Director |

*Member of the Malaysian Institute of Accountants

The performance of the AC and its members is assessed by the Board of Directors of the Company (“Board”) through the Nomination Committee on an annual basis. The Board is satisfied that the AC members have discharged their functions, duties and responsibilities in a commendable manner as well as in accordance with the Terms of Reference of the AC, thereby supporting the Board in ensuring appropriate Corporate Governance standards within the Group.

The Terms of Reference of the AC is available on the Company’s corporate website at www.cylcorporation.com.

SUMMARY OF THE WORK OF THE AC DURING THE FINANCIAL YEAR

During the financial year, a total of five (5) AC meetings were held and the attendance of the members is as follows:-

| Name of AC Members | No. of Meetings Attended |
|---|--------------------------|
| Tang Sook Kuen | 5/5 (100%) |
| Tan Sri Abu Talib Bin Othman | 4/5 (80%) |
| Gan Kok Ling | 5/5 (100%) |
| Ong Chong Chee <i>(Resigned on 30 November 2022)</i> | 4/4 (100%) |

The work undertaken by the AC for the financial year is as follows:-

(a) Financial Reporting

The AC reviewed the Group’s quarterly unaudited financial results, Annual Report and Annual Audited Financial Statements during its meetings held on 29 March 2022, 17 May 2022, 20 June 2022, 19 September 2022 and 19 December 2022 before recommending them to the Board for approval. The review was to ensure that the quarterly unaudited financial results and Audited Financial Statements were prepared in accordance with:-

- MMLR of Bursa Securities;
- Applicable approved accounting standards; and
- Other relevant legal and regulatory requirements.

(b) External Audit

On 19 December 2022, the AC evaluated the Audit Strategy Memorandum for FYE 2023 presented by the External Auditors. Having given due consideration to the scope of work and independence of the External Auditors, the AC approved the said Audit Strategy Memorandum.

On 30 March 2023, the AC went through the Audit Status Memorandum for FYE 2023 with the External Auditors.

The AC evaluated Mazars PLT's performance, suitability, objectivity, and independence before recommending the Board to table their re-appointment to the shareholders for approval at the Twenty-Third Annual General Meeting. The AC was satisfied that there were no issues on independence.

On 15 May 2023, the AC went through the draft Audited Financial Statements with the External Auditors. The External Auditors presented their Final Report to Those Charged with Governance in respect of the audit for FYE 2023.

The AC received assurance from the External Auditors that they were independent from the Group and in compliance with the independence requirements set out in the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants and Code of Conduct for Objectivity and Independence.

After having deliberated on the draft Audited Financial Statements, the AC reviewed and recommended the same to the Board for approval.

During FYE 2023, the AC conducted two (2) meetings with the External Auditors without the presence of the Executive Management team of the Group on 29 March 2022 and 17 May 2022.

The non-audit fees charged for services rendered to the Company by the External Auditors and its affiliates in Malaysia for FYE 2023 amounted to RM5,000.

(c) Internal Audit

The AC had on 29 March 2022, reviewed and approved the Internal Audit Plan for FYE 2023. The Internal Audit Plan was developed by the Internal Auditors based on the Internal Auditors' understanding of the Company's business environment and significant business processes that have an impact on the Group's performance.

The Internal Auditors had on 29 March 2022 and 19 September 2022 presented the Internal Audit Reports and Internal Audit Progress Reports to the AC. At the conclusion of the internal audit reviews, the weaknesses, recommended corrective actions to be taken and Management's response were highlighted and reported to the AC. Subsequently, follow-up reviews were conducted to ensure that corrective actions were implemented accordingly by Management.

The AC conducted two (2) meetings with the Internal Auditors without the presence of the Executive Directors and executive team of the Group on 29 March 2022 and 19 September 2022.

The AC also discussed on the Internal Audit fees and recommended for the management to negotiate and decide on this.

(d) Other activities

- (i) Reviewed and approved the minutes of the AC meetings;
- (ii) Reviewed the recurrent related party transactions entered into by the Group;
- (iii) Reviewed the extent of the Group's compliance with the provisions set out under the Malaysian Code on Corporate Governance for the purpose of preparing the Corporate

Governance Overview Statement to be included in the Annual Report;

- (iv) Reviewed the budget for the financial year ending 31 January 2024;
- (v) Revised the Whistleblowing Policy; and
- (vi) Reviewed the Related Party Transactions Policy and recommended it to the Board for approval.

INTERNAL AUDIT FUNCTION

The internal audit function, which is outsourced to a professional services firm, Kloo Point Risk Management Services Sdn. Bhd., assists the AC in ensuring the adequacy and effectiveness of the internal control systems. The Internal Auditors report directly to the AC.

The activities of the internal audit function during FYE 2023 were as follows:

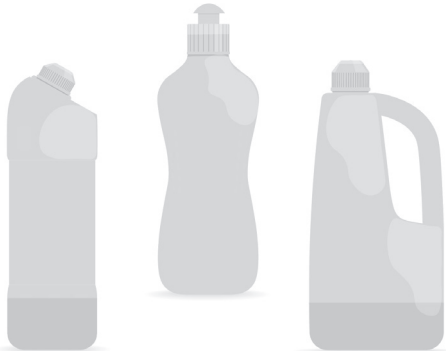
- (a) regular reviews of business processes with Management in accordance with the Internal Audit Plan approved by AC;
- (b) reported the results of internal audit reviews and provided recommendations for improvement to AC on a periodic basis; and
- (c) followed up on the implementation of audit recommendations and action plans agreed upon by Management.

During the year, the Internal Auditors carried out reviews on the following areas:

| | |
|--|--|
| Raw material control | <ul style="list-style-type: none"> - Raw material receiving and recording procedures - Raw material storage - Safeguarding of raw materials - Stocktaking procedures - Posting of raw material balances to general ledger |
| Secondary Process (Printing and labelling) | <ul style="list-style-type: none"> - Production scheduling - Monitoring of material usage, output control and wastages |
| Sales Order | <ul style="list-style-type: none"> - Quotation and pricing process - Receiving of customer orders - Sales order processing - Customer credit evaluation - Sales contract |
| Occupational Health and Safety | <ul style="list-style-type: none"> - Compliance with the Occupation Safety and Health Act (“OSHA”) and the relevant authorities - Safety and health policies and procedures - Accident management - Emergency action plans - Employee training and awareness on Personal Protective Equipment, Department of Energy, and OSHA Program, Legislation and Policies |

There were no weaknesses in the system of internal control that has resulted in any material losses, contingencies or uncertainties, which would require disclosure in the Company’s Annual Report.

The costs incurred in respect of the internal audit reviews performed by the professional services firm was RM30,000 for FYE 2023.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

This Statement on Risk Management and Internal Control has been prepared in accordance with the “Statement on Risk Management and Internal Control - Guidance for Directors of Listed Issuers”, Paragraph 15.26(b) and Practice Note 9 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, Practices 10.1 and 10.2 of the Malaysian Code on Corporate Governance and in accordance with the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

BOARD RESPONSIBILITIES

The Board acknowledges the importance of good practice of corporate governance and is committed to maintaining a sound system of internal control and for reviewing its effectiveness, adequacy and integrity.

The Board recognises that for the Group to achieve its business objectives and sustain success, it is vital that the risk management and internal control processes of the Group are effective.

Management is accountable to the Board for the implementation of the processes in identifying, evaluating, monitoring and reporting of risks and internal control as prescribed above.

Due to the limitations that are inherent in any internal control system, the Group’s system of internal control can only manage rather than eliminate the risk of failure to achieve business objectives and therefore can only provide reasonable and not absolute assurance against material misstatement, loss or fraud. Notwithstanding this, the Board requires that the procedures and controls in place are subject to

regular review as part of an ongoing process for identifying, evaluating and managing the significant risks faced by the Group.

The Board has received assurance from the Managing Director and the Executive Director (being the Director who is primarily responsible for the financial management of the Company) that the Group’s risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group. Appropriate mitigating activities & control procedures are put in place to identify any identified weaknesses.

RISK MANAGEMENT FRAMEWORK

The Board is responsible for reviewing the Group’s system of control based on an ongoing process designed to identify principal risks to the achievement of strategic goals and business objectives and to manage those risks efficiently, effectively and economically.

The Group has in place Standard Operating Policies and Procedures for its main business cycles highlighting the control objectives, policies, procedures, authority and responsibility of each business cycle.

The Board engages the services of an outsourced Internal Audit firm to review a wide scope of areas i.e. finance functions, human resource, production and operations to occupational health and safety so as to identify any weaknesses in internal controls. The Management is pro-active in identifying new areas for the Internal Auditors to conduct their testing one of which is the secondary process operations and control.

The Audit Committee (“AC”) reviews internal control issues identified by the Internal Auditors and Management. In the process, it evaluates the adequacy and effectiveness of the Group’s risk management and internal control system.

INTERNAL CONTROL SYSTEM

The Board is satisfied that the system of internal control is adequate.

The internal audit review on Group and Company’s operations was carried out throughout the year by an independent professional services firm. The internal audit team undertakes internal audit review based on the annual audit plan that is developed taken into consideration the concerns of management and key risk areas. The Internal Audit Plan is reviewed and approved each year by the AC.

The internal audit team reviews the adequacy and effectiveness of the internal control systems of the business units, and advises executive and operational management on areas for improvement and subsequently reviews the extent to which its recommendations have been implemented.

The internal audit reports are submitted to the AC and the audit issues are discussed during the AC meetings. The AC is responsible for the development and maintenance of the internal control framework and determining that all major issues reported have been satisfactorily resolved. Finally, the AC reports to the Board on its activities, significant results, findings together with ideas and recommendations to improve the internal control systems.

During the year, the areas of review were raw material control, secondary process (printing and labelling), sales order and occupational health and safety. There were no significant findings from the reviews conducted by the Internal Auditors.

The principal features of the Group's internal control structures which are conducive toward achieving a sound system of internal control are summarised as follows:-

Organisational structure and responsibility levels

The Group has a defined organisational structure which stipulates the reporting functions of business units and employees. Delegation of authority is established which sets out the decisions that need to be taken and the appropriate authority levels of Management including matters that require Board's approval.

Reporting and review

The Group's management teams carry out monthly monitoring and review of operational and financial results for all business units within the Group, including monitoring and reporting thereon, of performance against management's target and plans.

Information and Communication

The Group is progressively developing and enhancing its group operating policy and procedure to address the changing environment of its business operations and practices.

The Standard Operating Procedures Manuals developed by the Management set out the policies, procedures and practices to identify

and mitigate risks, and to ensure that their reporting and compliance objectives are met. The Manuals are to be adopted by the Group to ensure that all personnel receive a clear message regarding their role in the internal control system.

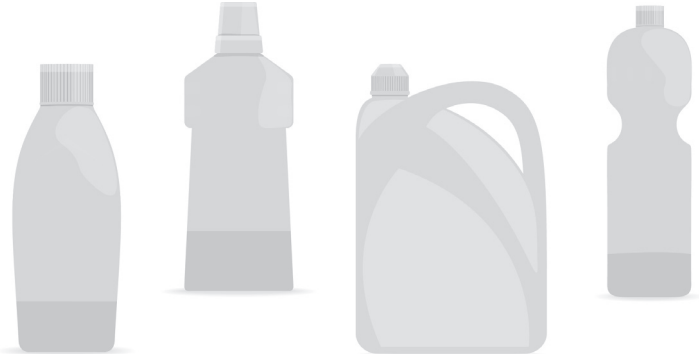
The Group's Management teams communicate regularly to monitor operational and financial performance as well as formulate action plans to address any area of concern. Scheduled and ad-hoc meetings are held at operational and management levels to identify, discuss and resolve business and operational issues.

CONCLUSION

The External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that the Statement is inconsistent with their understanding of the processes adopted by the Board in reviewing the adequacy and integrity of the Group's risk management and internal control system.

The Board is of the view that there are no significant weaknesses in the system of internal control of the Group for the financial year ended 31 January 2023. The Group continues to take the necessary measures to strengthen its internal controls.

This Statement on Risk Management and Internal Control, which was approved by the Board on 15 May 2023, has also been reviewed by the External Auditors.



STATEMENT OF DIRECTORS' RESPONSIBILITIES

This statement is prepared as required under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Pursuant to the Companies Act 2016 ("Act"), the Directors are required to prepare the financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year, and of the results and cash flows of the Group and of the Company for the financial year then ended.

The Directors consider that, in preparing the financial statements for the financial year ended 31 January 2023, the Group has adopted appropriate accounting policies and applied them consistently, made judgements and estimates that are reasonable and prudent, and prepared the financial statements on a going concern basis. The Directors also consider that all applicable approved accounting standards have been followed.

The Directors are responsible for ensuring that the Group and the Company keep accounting records which disclose, with reasonable accuracy at any time, the financial position of the Group and of the Company and which enable them to ensure that the financial statements comply with the provisions of the Act and the applicable approved accounting standards in Malaysia.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JANUARY 2023

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 January 2023.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

The principal activities of the subsidiary are disclosed in Note 6 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

RESULTS

| | Group RM | Company RM |
|--|-------------|---------------|
| (Loss)/Profit for the year attributable to the owners of the Company | (175,728) | 2,111 |

DIVIDENDS

No dividend was paid or declared by the Company since the end of the previous financial year and the directors do not recommend any dividend for the current financial year.

ISSUE OF SHARES AND DEBENTURES

There were no issuance of shares or debentures during the financial year.

SHARE OPTIONS

No option was granted to any person to take up unissued shares of the Company during the financial year.

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are disclosed in the financial statements.

DIRECTORS

The directors in office during the financial year and to the date of this report are:

| | |
|--|--|
| Tan Sri Abu Talib bin Othman* | |
| Chen Yat Lee* | |
| Chen Wai Ling | |
| Chen Teck Shin* | |
| Tang Sook Kuen | |
| Gan Kok Ling | |
| Chen Teck Sun* (also Alternate Director to Chen Yat Lee) | (Appointed as Director on 19 September 2022) |
| Abd Malik Bin A Rahman | (Appointed on 1 February 2023) |
| Ong Chong Chee | (Resigned on 30 November 2022) |

* Also the directors of the subsidiary.

DIRECTORS' INTERESTS IN SHARES

The following directors, who held office at the end of financial year, had interests in shares as follows:

| <i>The Company</i> | Number of ordinary shares | | | At 31.1.2023 |
|---|---------------------------|-------------|-------------|-----------------|
| | At 1.2.2022 | Acquisition | Disposal | |
| Tan Sri Abu Talib bin Othman - direct interest | 15,594,158 | - | (5,587,100) | 10,007,058 |
| Chen Yat Lee - direct interest | 34,801,800 | - | (340,000) | 34,461,800 |
| Chen Wai Ling - direct interest | 3,000,000 | - | - | 3,000,000 |
| Chen Teck Shin - direct interest | 19,793,000 | - | (118,700) | 19,674,300 |

Other than as disclosed above, none of the other directors in office at the end of financial year held any interest in shares in the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Neither during nor at the end of the financial year was the Company or its subsidiary a party to any arrangements whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial year, no director or past director of the Company has received or become entitled to receive any benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which he has a substantial financial interest, other than fee, remuneration and other benefits received or due and receivable by the directors or past directors of the Company from the Company or its subsidiary during the financial year as presented below:

| | Group RM | Company RM |
|-------------------------|-------------|---------------|
| Fees | 304,000 | 136,000 |
| Salaries and allowances | 1,551,721 | - |
| Contributions for EPF | 186,216 | - |
| Provision for gratuity | 72,240 | - |
| Other emoluments | 14,500 | 14,500 |
| | 2,128,677 | 150,500 |

INDEMNITY AND INSURANCE COST

There was no indemnity given to or insurance effected for any of the directors and officers of the Company during the current financial year.

OTHER INFORMATION

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps:

- (i) to ascertain the appropriate action had been taken in relation to the writing off of debts and the making of allowance for doubtful debts and satisfied themselves that there were no known bad debts to be written off and that adequate allowance had been made for doubtful debts; and
- (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records had been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

- (i) which would render it necessary to write off any bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (ii) which would render the values attributed to the current assets in the financial statements misleading; or
- (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (iv) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

At the date of this report, there does not exist:

- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

In the opinion of the directors:

- (i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

AUDITORS

To the extent permitted by laws, the Company has agreed to indemnify its auditors, as part of the terms of its audit engagement, against claims arising from the audit. No payment has been made to indemnify the auditors for the current financial year.

The total amount paid to or receivable by the auditors of the Group and of the Company as remuneration for their services as auditors for the current financial year are as follows:

| | Group RM | Company RM |
|----------------------------|-------------|---------------|
| Statutory audit | 95,000 | 36,000 |
| Other assurance engagement | 5,000 | 5,000 |
| | 100,000 | 41,000 |

The auditors, Mazars PLT, Chartered Accountants, have expressed their willingness to accept re-appointment.

APPROVAL OF THE DIRECTORS' REPORT

This report is approved by the board of directors, and signed on behalf of the board of directors in accordance with a directors' resolution.

CHEN TECK SHIN

Director

CHEN YAT LEE

Director

Kuala Lumpur

15 May 2023

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CYL CORPORATION BERHAD (Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of CYL Corporation Berhad, which comprise the statements of financial position as at 31 January 2023 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 43 to 73.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 January 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ("ISA"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants* ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Revenue Recognition | |
|--|--|
| Refer to “Significant Accounting Policies” and “Revenue” in Notes 3(i) and 20 to the financial statements. | |
| The risk | Our response |
| <p>The Group is principally involved in the business of manufacturing and supplying of plastic packaging products. During the financial year, the Group recognised revenue from sale of goods and moulds amounting to RM44,796,221.</p> <p>Due to the significant volume of sales transactions, revenue could be recognised in the incorrect accounting period for transactions occurring near or at the year end.</p> <p>We have identified revenue recognition as a key audit matter, particularly in respect of the appropriateness of the timing, occurrence and amount of revenue recognised in the financial year.</p> | <p>In addressing the risk, we performed, amongst others, the following procedures:</p> <ul style="list-style-type: none"> • Reviewed the compliance on the revenue recognition criteria in accordance with the Group’s accounting policy. • Evaluated the design and implementation and tested operating effectiveness of key controls pertaining to revenue account. • Performed substantive analytical procedures in respect of revenue recognised during the year. • On sampling, performed cut-off procedures at year end to ascertain whether revenue is recognised in the appropriate accounting period. |

We do not have key audit matters in connection with the audit of the separate financial statements of the Company to be communicated in this report.

Information Other than the Financial Statements and Auditors’ Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors’ report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRS, IFRS and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group’s and the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and ISA, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

MAZARS PLT
201706000496 (LLP0010622-LCA)
AF 001954
Chartered Accountants

RAJVINDERJIT SINGH A/L SAVINDER SINGH
03400/11/2024 J
Chartered Accountant

Kuala Lumpur
15 May 2023

STATEMENTS OF FINANCIAL POSITION

AS AT 31 JANUARY 2023

| | Note | Group | | Company | |
|---|------|-------------------|-------------------|-------------------|-------------------|
| | | 2023 RM | 2022 RM | 2023 RM | 2022 RM |
| NON-CURRENT ASSETS | | | | | |
| Property, plant and equipment | 5 | 50,779,647 | 52,485,951 | - | - |
| Investment in a subsidiary | 6 | - | - | 51,317,184 | 51,317,184 |
| Other Investments | 7 | 85,100 | 85,100 | - | - |
| | | 50,864,747 | 52,571,051 | 51,317,184 | 51,317,184 |
| CURRENT ASSETS | | | | | |
| Inventories | 8 | 5,226,188 | 4,253,122 | - | - |
| Trade receivables | 9 | 7,082,072 | 10,256,502 | - | - |
| Right to returned goods asset | 10 | 43,770 | 76,987 | - | - |
| Other receivables, deposits and prepayments | 11 | 193,067 | 500,232 | 40 | 40 |
| Amount owing by a subsidiary | 6 | - | - | 380,000 | 268,258 |
| Current tax asset | | 825,143 | 723,071 | - | - |
| Short-term deposits with licensed banks | 12 | 6,789,345 | 6,181,397 | - | - |
| Cash and bank balances | | 2,483,076 | 845,608 | 10,210 | 35,616 |
| | | 22,642,661 | 22,836,919 | 390,250 | 303,914 |
| TOTAL ASSETS | | 73,507,408 | 75,407,970 | 51,707,434 | 51,621,098 |
| EQUITY | | | | | |
| Share capital | 13 | 51,504,405 | 51,504,405 | 51,504,405 | 51,504,405 |
| Retained earnings | | 11,869,833 | 12,008,260 | 3,126 | 1,015 |
| | | 63,374,238 | 63,512,665 | 51,507,531 | 51,505,420 |
| NON-CURRENT LIABILITIES | | | | | |
| Deferred tax liabilities | 14 | 5,555,988 | 5,506,554 | - | - |
| Provision for gratuity payment | 15 | 363,618 | 337,960 | - | - |
| | | 5,919,606 | 5,844,514 | - | - |
| CURRENT LIABILITIES | | | | | |
| Trade payables | 16 | 2,183,913 | 4,444,605 | - | - |
| Other payables and accruals | 17 | 1,809,907 | 1,381,230 | 76,000 | 106,678 |
| Refund liability | 18 | 54,712 | 96,234 | - | - |
| Amount owing to subsidiary | 6 | - | - | 123,903 | - |
| Amount owing to directors | 19 | 14,000 | 23,000 | - | 9,000 |
| Provision for gratuity payment | 15 | 151,032 | 105,722 | - | - |
| | | 4,213,564 | 6,050,791 | 199,903 | 115,678 |
| TOTAL LIABILITIES | | 10,133,170 | 11,895,305 | 199,903 | 115,678 |
| TOTAL EQUITY AND LIABILITIES | | 73,507,408 | 75,407,970 | 51,707,434 | 51,621,098 |

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 JANUARY 2023

| | Note | Group | | Company | |
|--|------|--------------|--------------|------------|------------|
| | | 2023 RM | 2022 RM | 2023 RM | 2022 RM |
| Revenue | 20 | 44,796,221 | 49,312,015 | 380,000 | 1,300,000 |
| Other income and gains | | 252,621 | 242,004 | 289 | - |
| Interest income from short-term deposits | | 107,947 | 96,807 | - | - |
| Changes in inventories of finished goods | | 729,863 | (787,333) | - | - |
| Raw materials and consumables used | | (25,571,747) | (27,748,870) | - | - |
| Employee benefits expenses | 21 | (5,615,957) | (4,945,901) | - | - |
| Remuneration of key management personnel | 22 | (2,128,677) | (2,084,402) | (150,500) | (106,000) |
| Depreciation of property, plant and equipment | 5 | (2,822,555) | (3,080,403) | - | - |
| Changes in loss allowance | | (9,914) | 209,209 | - | - |
| Other expenses | | (9,816,812) | (10,010,874) | (227,678) | (207,273) |
| Unwinding of discount | 15 | 1,272 | 15,942 | - | - |
| (Loss)/Profit before tax | 23 | (77,738) | 1,218,194 | 2,111 | 986,727 |
| Tax (expense)/income | 24 | (97,990) | 134,259 | - | (13) |
| (Loss)/Profit for the year, attributable to owners of the Company | | (175,728) | 1,352,453 | 2,111 | 986,714 |
| Other comprehensive income, net of tax <i>Items that will not be reclassified subsequently to profit or loss:</i> | | | | | |
| Reversal of deferred tax liability pertaining to gain on revaluation of properties | | 37,301 | 37,301 | - | - |
| Total comprehensive (loss)/income for the year | | (138,427) | 1,389,754 | 2,111 | 986,714 |
| (Loss)/Earnings per ordinary share | | | | | |
| - Basic and diluted (sen) | 25 | (0.18) | 1.35 | | |

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 JANUARY 2023

| | Note | Share Capital RM | Retained Earnings RM | Total Equity RM |
|---|------|------------------------|----------------------------|-----------------------|
| Group | | | | |
| At 31 January 2021 | | 51,504,405 | 11,618,506 | 63,122,911 |
| Dividends paid | 26 | - | (1,000,000) | (1,000,000) |
| Total comprehensive income for the year | | - | 1,389,754 | 1,389,754 |
| At 31 January 2022 | | 51,504,405 | 12,008,260 | 63,512,665 |
| Total comprehensive loss for the year | | - | (138,427) | (138,427) |
| At 31 January 2023 | | 51,504,405 | 11,869,833 | 63,374,238 |
| Company | | | | |
| At 31 January 2021 | | 51,504,405 | 14,301 | 51,518,706 |
| Dividends paid | 26 | - | (1,000,000) | (1,000,000) |
| Total comprehensive income for the year | | - | 986,714 | 986,714 |
| At 31 January 2022 | | 51,504,405 | 1,015 | 51,505,420 |
| Total comprehensive income for the year | | - | 2,111 | 2,111 |
| At 31 January 2023 | | 51,504,405 | 3,126 | 51,507,531 |

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 JANUARY 2023

| | Group | | Company | |
|---|------------------|------------------|------------------|------------------|
| | 2023 RM | 2022 RM | 2023 RM | 2022 RM |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| (Loss)/Profit before tax | (77,738) | 1,218,194 | 2,111 | 986,727 |
| Adjustments for: | | | | |
| Depreciation of property, plant and equipment | 2,822,555 | 3,080,403 | - | - |
| Property, plant and equipment written off | - | 1 | - | - |
| Inventories written down | - | 32,219 | - | - |
| Reversal of inventories written down | (11,597) | - | - | - |
| Provision for gratuity payment | 72,240 | 72,465 | - | - |
| Changes in loss allowance | 9,914 | (209,209) | - | - |
| Gain on disposal of property, plant and equipment | (49,994) | (9,999) | - | - |
| Unrealised gain on foreign exchange | (19,303) | (9,161) | - | - |
| Interest income | (107,947) | (96,807) | - | - |
| Unwinding of discount | (1,272) | (15,942) | - | - |
| Dividend income | - | - | (380,000) | (1,300,000) |
| Operating profit/(loss) before working capital changes | 2,636,858 | 4,062,164 | (377,889) | (313,273) |
| Changes in inventories | (961,469) | 1,375,171 | - | - |
| Changes in receivables | 3,464,586 | (1,765,852) | - | - |
| Changes in right to returned goods asset | 33,217 | (32,314) | - | - |
| Changes in payables | (1,814,617) | (1,451,747) | 10,483 | 22,123 |
| Changes in refund liability | (41,522) | 40,393 | - | - |
| Cash generated from/(used in) operations | 3,317,053 | 2,227,815 | (367,406) | (291,150) |
| Net income tax (paid)/refunded | (113,327) | 289,357 | - | (13) |
| Interest received | 107,947 | 96,807 | - | - |
| Dividend received | - | - | - | 1,300,000 |
| Net cash generated from/(used in) operating activities | 3,311,673 | 2,613,979 | (367,406) | 1,008,837 |

| | Group | | Company | |
|---|--------------------|--------------------|-----------------|--------------------|
| | 2023 RM | 2022 RM | 2023 RM | 2022 RM |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Repayment from subsidiary | - | - | 268,258 | 18,151 |
| Purchase of property, plant and equipment (Note A) | (1,116,257) | (1,982,438) | - | - |
| Proceeds for disposal of property, plant and equipment | 50,000 | 10,000 | - | - |
| Net cash (used in)/generated from investing activities | (1,066,257) | (1,972,438) | 268,258 | 18,151 |
| CASH FLOWS FROM FINANCING ACTIVITY | | | | |
| Dividend paid | - | (1,000,000) | - | (1,000,000) |
| Advances received from subsidiary | - | - | 73,742 | - |
| Net cash (used in)/generated from financing activities | - | (1,000,000) | 73,742 | (1,000,000) |
| NET CHANGES IN CASH AND CASH EQUIVALENTS | 2,245,416 | (358,459) | (25,406) | 26,988 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR | 7,027,005 | 7,385,464 | 35,616 | 8,628 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | 9,272,421 | 7,027,005 | 10,210 | 35,616 |
| Represented by: | | | | |
| Short-term deposits with licensed banks | 6,789,345 | 6,181,397 | - | - |
| Cash and bank balances | 2,483,076 | 845,608 | 10,210 | 35,616 |
| | 9,272,421 | 7,027,005 | 10,210 | 35,616 |

Note A

| | Group | |
|--|------------------|------------------|
| | 2023 RM | 2022 RM |
| Additions during the year (Note 5) | 1,116,257 | 2,570,479 |
| Less: Deposits paid in the preceding years | - | (588,041) |
| Cash paid during the financial year | 1,116,257 | 1,982,438 |

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2023

1. GENERAL INFORMATION

CYL Corporation Berhad (the “Company”) is a public company limited by way of shares incorporated and domiciled in Malaysia. The Company is listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of the principal place of business and registered office of the Company are disclosed on page 6.

The principal activity of the Company is investment holding. The principal activities of the subsidiary are disclosed in Note 6.

There have been no significant changes in the nature of these activities during the financial year.

2. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) issued by the Malaysian Accounting Standards Board (“MASB”), International Financial Reporting Standards (“IFRS”) and the requirements of the Companies Act 2016 in Malaysia.

The financial statements are presented in Ringgit Malaysia (“RM”), which is also the Company’s functional currency.

The financial statements have been prepared on the historical cost basis, except for other measurement bases applied, including fair value, as stated in the significant accounting policies set out in Note 3.

(a) Application of new or amended standards

In the current year, the Group and the Company have applied a number of amendments that become effective mandatorily for the financial periods beginning on or after 1 February 2022.

The adoption of the amendments does not have any significant impact on the disclosures or on the amounts reported in the financial statements of the Group and of the Company.

(b) Standards issued that are not yet effective

The Group and the Company have not applied the following amendments that have been issued by the MASB relevant to their operations but are not yet effective:

| | | Effective Date |
|------------------------|--|----------------|
| Amendments to MFRS 101 | Disclosure of Accounting Policies | 1 January 2023 |
| Amendments to MFRS 108 | Definition of Accounting Estimates | 1 January 2023 |
| Amendments to MFRS 112 | Deferred Tax related to Assets and Liabilities arising from a Single Transaction | 1 January 2023 |
| Amendments to MFRS 16 | Lease Liability in a Sale and Leaseback | 1 January 2024 |
| Amendments to MFRS 101 | Classification of Liabilities as Current and Non-current | 1 January 2024 |
| Amendments to MFRS 101 | Non-current Liabilities with Covenants | 1 January 2024 |

The adoption of the above amendments are not expected to have significant impact on the financial position and financial performance of the Group and of the Company when they are effective.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and of the entity controlled by the Company made up to the end of the financial year.

The Company controls an investee if and only if the Company:

- has power over the investee;
- is exposure, or rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

When the Company has no majority voting rights of an investee, it considers that it has power over the investee if the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All intra-group balances, transactions, income and expenses are eliminated in full on consolidation. Consolidation of an investee shall begin from the date the Company obtains control of the investee and cease when the investor loses control of the investee.

Changes of interests in subsidiary

The changes of interests in subsidiary that do not result in a loss of control are treated as equity transactions between the Group and non-controlling interests. Any difference arising from equity transactions is recognised directly in equity.

When the Company loses control of a subsidiary:

- It derecognises the assets and liabilities, non-controlling interests, and other amounts previously recognised in other comprehensive income relating to the former subsidiary.
- It recognises any gain or loss in profit or loss attributable to the Group, which is calculated as the difference between (i) the aggregate of the fair value of the consideration received, if any, from the transaction, event or circumstances that resulted in the loss of control; plus any investment retained in the former subsidiary at its fair value at the date when control is lost; and (ii) the net carrying amount of assets, liabilities, goodwill and any non-controlling interests attributable to the former subsidiary at the date when control is lost.
- It recognises any investment retained in the former subsidiary at its fair value when control is lost. That fair value shall be regarded as the fair value on initial recognition of a financial asset in accordance with MFRS 9 or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture.

(b) Business combination

The Group accounts for each business combination by applying the acquisition method. The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity interests issued by the acquirer. Acquisition related costs are recognised as expenses when the costs are incurred.

On the date of acquisition, goodwill is measured as the excess of (i) over (ii) below:

- (i) The aggregate of: (i) the fair value of consideration transferred; (ii) the amount of any non-controlling interests in the investee; and (iii) the fair value of the Group's previously held equity interest in the investee, if the business combination achieved in stages.

(ii) The net fair value of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, a business combination in which the amount in (ii) above exceeds the aggregate of the amounts in (i) above, the Group recognises the resulting gain in profit or loss.

Measurement period adjustments are adjustments that arise from additional information obtained during 12 months from the acquisition date, about facts and circumstances that existed at the acquisition date. If the initial accounting for a business combination is incomplete by the reporting date in which the business combination occurs, the Group reports provisional amounts for the business combination. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of the acquisition date.

When the consideration in a business combination includes contingent consideration, the contingent consideration is measured at fair value on acquisition date.

- Subsequent changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill.
- Subsequent changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments: (i) contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity; or (ii) other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

(c) Investment in a subsidiary (separate financial statements)

In the Company's separate financial statements, investment in a subsidiary is measured at cost less impairment losses, if any. Impairment losses are recognised in profit or loss.

On disposal, the difference between the net disposal proceeds and the carrying amount of the investment disposed is recognised in profit or loss.

(d) Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Depreciation is recognised to write off the depreciable amount of property, plant and equipment on a straight-line basis over their estimated useful lives. Depreciable amount is determined after deducting the residual value from the cost.

Freehold land is not depreciated. The annual depreciation rates of other items are:

| | |
|-------------------------|-----|
| Freehold buildings | 2% |
| Freehold apartments | 2% |
| Plant and machinery | 10% |
| Office equipment | 10% |
| Furniture and fittings | 10% |
| Motor vehicles | 20% |
| Electrical installation | 10% |
| Containers | 10% |

The residual values, useful lives and depreciation method are reviewed, and adjusted if appropriate, at each reporting date.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from their use. On disposal or retirement of an asset, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

(e) Impairment of non-financial asset

Property, plant and equipment, transferable golf club membership and investment in a subsidiary are assessed at each reporting date to determine whether there is any indication of impairment.

If such an indication exists, the asset's recoverable amount is estimated. The recoverable amount is the higher of an asset's fair value less cost to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the assets. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

An impairment loss is recognised whenever the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

Any reversal of an impairment loss as a result of a subsequent increase in recoverable amount should not exceed the carrying amount that would have been determined (net of amortisation or depreciation, if applicable) had no impairment loss been previously recognised for the asset.

(f) Inventories

Inventories are stated at the lower of cost and net realisable value.

Raw materials and packing materials consist of invoiced value of good purchase and determined on the first-in-first-out basis. The costs of finished goods include materials, labour and an appropriate proportion of manufacturing overheads.

Net realisable value represents the estimated selling price in the ordinary course of business less selling and distribution costs and all other estimated costs to completion.

The amount of any write-down of inventories to net realisable value shall be recognised as an expense in the period the write-down occurs. The amount of any reversal of write-down of inventories, arising from change in circumstances affecting the net realisable value, shall be recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(g) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of an instrument.

Financial assets and financial liabilities are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities on initial recognition.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Subsequent measurement

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. Financial assets are measured subsequently in the following manners:

- at amortised cost (debt instruments); or
- at fair value through other comprehensive income ("FVTOCI"), with recycling of cumulative gains and losses (debt instruments); or
- designated at FVTOCI, without recycling of cumulative gains and losses (equity instruments); or
- at fair value through profit or loss ("FVTPL").

Financial assets at amortised cost

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when an asset is derecognised, modified or impaired.

Impairment of financial assets

Loss allowance is recognised for expected credit losses ("ECL") for all debt instruments not held at FVTPL, i.e. financial assets at amortised cost, receivables and financial guarantee contracts.

ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that are expected to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial asset.

Management measures the loss allowance of trade receivables, contract assets and lease receivables at an amount equal to their lifetime ECL (i.e. simplified approach). The ECL on these financial assets are estimated based on historical credit loss experience, and where appropriate, adjusted for forward-looking factors specific to the debtors and the economic environment.

For all other financial assets at amortised cost, where credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECL is provided for credit losses that result from default events that are possible within 12 months after the reporting date. For those credit exposures for which there has been a significant increase in the likelihood or risk of a default occurring since initial recognition (instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring), a loss allowance is required for credit losses expected over the remaining life of the financial assets.

Derecognition of financial assets

A financial asset is derecognised only when the contractual rights to the cash flows from the financial asset expire; or when the financial asset is transferred and substantially all the risks and rewards of ownership of the financial asset are transferred to another party.

If the entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to control a transferred financial asset, the entity recognises its retained interest in the financial asset and an associated liability for amounts it may have to pay. If the entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the entity continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the financial asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity instruments

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial liabilities

All financial liabilities are subsequently measured at FVTPL or at amortised cost.

Financial liabilities at amortised cost

These financial liabilities are subsequently measured at amortised cost using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument or a financial liability by allocating interest income/expense over the relevant periods. The effective interest rate is the rate that exactly discounts estimated future cash receipts/payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of a debt instrument or a financial liability, to the amortised cost of the debt instrument or the financial liability.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued are initially measured at their fair values and, if not designated as at FVTPL and do not arise from a transfer of a financial asset, are subsequently measured at the higher of:

- the loss allowance determined in accordance with MFRS 9; and
- the amount recognised initially less, where appropriate, cumulative amount of income recognised.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the obligations under the liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

When an existing financial liability is replaced by another financial liability from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability.

Equity instrument

Equity instruments issued are recognised at the proceeds received. Costs incurred directly attributable to the issuance of the equity instruments are accounted for as a deduction from equity.

Dividends to shareholders are recognised in equity in the period which they are declared.

(h) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, when it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, a provision represents the present value of estimated future those cash flows.

When some or all of the cash flows required to settle a provision are expected to be recovered from a third party, an asset is recognised if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(i) Revenue and other income recognition

Revenue from contracts with customers comprises sales of own-produced plastic packaging products and moulds.

Revenue is recognised when a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. A performance obligation is a promise to transfer a distinct goods or service (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract and implied in the Group's customary business practices.

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties such as sales taxes or goods and services taxes. If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, penalties or other similar items, the Group estimates the amount of consideration to which it will be entitled based on the expected value or the most likely outcome. If the contract with customer contains more than one performance obligation, the amount of consideration is allocated to each performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

The revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Revenue is recognised at the point of time where control of the goods has been transferred to the customer, being when the products have been delivered to a location specified by the customer and acceptance of the goods by the customer. Following delivery, the customer has full discretion over the manner of distribution of the goods, has the primary responsibility when using the goods and bears the risks of obsolescence and loss in relation to the goods.

Revenue is measured at the fair value of the consideration for the goods received or receivable, net of returns. No element of financing is included in the selling prices as the consideration is received or receivable within credit terms ranging from 30 to 90 days.

Under the Group's standard contract terms, customers have a right of return within 30 days. At the point of sale, a refund liability and a corresponding adjustment to revenue is recognised for those products expected to be returned. At the same time, the Group has a right to recover the product when customers exercise their right of return so consequently recognises a right to returned goods asset and a corresponding adjustment to cost of sales. The Group uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method. It is considered highly probable that a significant reversal in the cumulative revenue recognised will not occur given the consistent level of returns over previous years.

Other revenues are recognised as follows:

- (i) Dividend income is recognised when the shareholder's right to receive payment is established.
- (ii) Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(j) Borrowing costs

Borrowing costs incurred on assets under development that take a substantial period of time for completion are capitalised into the carrying value of the assets. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred; and ceases when the asset is completed or during extended periods when active development is interrupted.

All other borrowing costs are recognised in profit or loss in the financial period in which they are incurred.

(k) Employee benefits

(i) Short-term employee benefits

Wages, salaries, paid annual leave, paid sick leave and non-monetary benefits are recognised as an expense in the period in which the associated services are rendered by employees.

(ii) Post-employment benefits

The Group makes monthly contributions to the Employees Provident Fund ("EPF") which is a defined contribution plan. The obligation of the Group is limited to the amount that they agree to contribute to those defined contribution plans. The contributions to those plans are recognised as an expense when the employees have rendered service entitling them to the contribution.

(iii) Provision for gratuity payment

Provision for gratuity payment represents amount payable to the executive directors of the Company at the end of their employment tenure. The executive directors are entitled to one month last drawn basic salary for every completed year of service in the subsidiary.

(l) Income tax

The income tax expense represents the aggregate of current tax and deferred tax.

Current tax and deferred tax are recognised in profit or loss. Current tax and deferred tax are recognised in other comprehensive income or directly in equity, if the tax relates to items that are recognised in other comprehensive income or directly in equity. Where deferred tax arises from a business combination, the tax effect is included in the accounting for the business combination.

Current tax

Current tax is the expected income tax payable on the taxable profit for the year, estimated using the tax rates enacted or substantially enacted by the reporting date.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future payment to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, which is accounted using the liability method.

A deferred tax liability is recognised for all taxable temporary differences. A deferred tax asset is only recognised for deductible temporary differences and unutilised tax credit to the extent that it is probable that taxable profit will be available in future against which the deductible temporary differences and unutilised tax credit can be utilised.

No deferred tax is recognised for temporary differences arising from the initial recognition of: (i) goodwill, or (ii) an asset or liability (which is not in a business combination) at the time of the transaction that affects neither accounting profit nor taxable profit.

Deferred taxes are measured based on tax consequences that would follow from the manner in which the asset or liability is expected to be recovered or settled, and based on the tax rates enacted or substantively enacted at the reporting date that are expected to apply to the financial period when the asset is realised or when the liability is settled.

(m) Foreign currencies

Transactions and Balances in Foreign Currencies

Transactions in currencies other than the functional currency ("foreign currencies") are recognised at the prevailing exchange rate on the date of the transaction. At the reporting date, monetary items denominated in foreign currencies are translated at the prevailing exchange rate on that date.

Non-monetary items which are measured in terms of historical costs denominated in foreign currencies are translated at the prevailing exchange rate on the date of the transaction. Non-monetary items which are measured at fair values denominated in foreign currencies are translated at the prevailing exchange rate on the date when the fair values were determined.

Exchange differences are recognised in profit or loss.

(n) Leases

The Group as Lessee

At inception of a contract, the Group assesses whether the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Reassessment is only required when the terms and conditions of the contract are changed. Leases, except for short-term leases and leases of low value assets, are recognised as a right-of-use asset and corresponding lease liability at the date which the underlying asset is available for use.

Lease liability is initially measured at the present value of the lease payments discounted using the implicit rate in the lease, or the Group's incremental borrowing rate, if the implicit rate cannot be readily determined. Lease liability is remeasured, with a corresponding adjustment to the right-of-use asset, if there is a modification or change in the lease terms or intentions.

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

(o) Segment reporting

Segment reporting in the financial statements is presented on the same basis as that used by management internally for evaluating operating segment performance and in deciding on the allocation of resources to each operating segment. Operating segments are distinguishable components of the Group that engage in business activities from which they may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's results are reviewed regularly by the managing director (chief operating decision maker) who decide on the allocation of resources to the segment and assess its performance, and for which discrete financial information is available.

(p) Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances and other short-term, highly liquid investments that are readily convertible to known amounts of cash which are subject to insignificant risk of changes in value.

(q) Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities, for which fair value is measured or disclosed, are categorised within the fair value hierarchy set out below based on the inputs that are significant to the fair value measurement. Fair value measurement is derived from:

Level 1: Unadjusted quoted prices in active markets (for identical assets or liabilities).

Level 2: Inputs (other than quoted prices included within Level 1) are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Valuation techniques that include unobservable inputs (not based on observable market data).

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of financial statements requires management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that affect reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the reporting date, and the reported amounts of income and expenses.

Although these estimates are based on management's best knowledge of current events and actions, historical experiences and various other factors, including expectations for future events that are believed to be reasonable under the circumstances, actual results may ultimately differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Critical judgement made in applying accounting policies

Management is of the opinion that there are no instances of application of significant judgement which are expected to have material effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources associated with estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are as follows:

(i) Depreciation and useful lives of property, plant and equipment

The Group reviews the estimated useful lives of its property, plant and equipment at the end of each reporting period. Property, plant and equipment are depreciated over their useful lives. The estimated useful lives are a matter of judgement based on experience of the Group, taking into account factors such as technological progress, changes in market demand, expected usage and physical wear and tear. Useful lives are periodically reviewed for continued appropriateness. Due to long lives of assets, changes to the estimates used can result in variation in carrying values and future depreciation charges.

(ii) Write-down of inventories

Inventories are stated at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected selling prices.

Inventories are reviewed on a regular basis and the Group will write down for excess or obsolete inventories based primarily on historical trends and management estimates of expected and future product demand and related pricing.

Demand levels, technological advances and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the carrying amount of its inventories and additional write-down for slow-moving inventories may be required.

(iii) Determining the loss allowance for trade receivables

Management assesses the ECL for trade receivables at each reporting date. Credit losses are the difference between the contractual cash flows that are due to the entity and the cash flows that it actually expects to receive. Management applies simplified approach of MFRS 9 Financial Instruments in assessing the impairment of trade receivables.

In determining the ECL, management uses historical credit loss experience for trade receivables to estimate the ECL. Management is not only required to consider historical information that is adjusted to reflect the effects of current conditions and information that provides objective evidence that trade receivables are impaired in relation to incurred losses, but management is also considering, when applicable, reasonable and supportable information that may include current and forecasts of future economic conditions when estimating the ECL, on collective basis. The need to consider forward-looking information means that management exercises considerable judgement as to how changes in macroeconomic factors will affect the ECL on trade receivables.

(iv) Income taxes

Significant judgement is involved in determining the capital allowances and deductibility of expenses during the estimation of the provision for income tax. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group and the Company recognise liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

5. PROPERTY, PLANT AND EQUIPMENT

| Group | Freehold land | Freehold buildings | Freehold apartments | Plant and machinery | Office equipment | Furniture and fittings | Motor vehicles | Electrical installation | Containers | Total |
|---------------------------------|---------------|--------------------|---------------------|---------------------|------------------|------------------------|----------------|-------------------------|------------|-------------|
| 2023 | RM | RM | RM | RM | RM | RM | RM | RM | RM | RM |
| Cost | | | | | | | | | | |
| At 01.02.2022 | 24,160,000 | 20,118,241 | 1,000,000 | 102,661,682 | 2,671,432 | 530,752 | 5,326,133 | 1,172,105 | 2,700 | 157,643,045 |
| Additions | - | - | - | 596,511 | 49,334 | - | 470,412 | - | - | 1,116,257 |
| Disposals | - | - | - | - | - | - | (667,478) | - | - | (667,478) |
| At 31.01.2023 | 24,160,000 | 20,118,241 | 1,000,000 | 103,258,193 | 2,720,766 | 530,752 | 5,129,067 | 1,172,105 | 2,700 | 158,091,824 |
| Accumulated depreciation | | | | | | | | | | |
| At 01.02.2022 | - | 4,782,597 | 267,822 | 90,740,653 | 2,426,985 | 521,500 | 5,304,993 | 1,109,845 | 2,699 | 105,157,094 |
| Charge for the year | - | 402,365 | 22,221 | 2,275,030 | 54,142 | 2,764 | 52,483 | 13,550 | - | 2,822,555 |
| Disposals | - | - | - | - | - | - | (667,472) | - | - | (667,472) |
| At 31.01.2023 | - | 5,184,962 | 290,043 | 93,015,683 | 2,481,127 | 524,264 | 4,690,004 | 1,123,395 | 2,699 | 107,312,177 |
| Net carrying value | | | | | | | | | | |
| At 31.01.2023 | 24,160,000 | 14,933,279 | 709,957 | 10,242,510 | 239,639 | 6,488 | 439,063 | 48,710 | 1 | 50,779,647 |

| Group | Freehold land | Freehold buildings | Freehold apartments | Plant and machinery | Office equipment | Furniture and fittings | Motor vehicles | Electrical installation | Containers | Total |
|---------------------------------|---------------|--------------------|---------------------|---------------------|------------------|------------------------|----------------|-------------------------|------------|-------------|
| 2022 | RM | RM | RM | RM | RM | RM | RM | RM | RM | RM |
| Cost | | | | | | | | | | |
| At 01.02.2021 | 24,160,000 | 20,100,101 | 1,000,000 | 100,142,715 | 2,641,273 | 530,752 | 5,593,233 | 1,168,892 | 2,700 | 155,339,666 |
| Additions | - | 18,140 | - | 2,518,967 | 30,159 | - | - | 3,213 | - | 2,570,479 |
| Disposals | - | - | - | - | - | - | (127,500) | - | - | (127,500) |
| Write-offs | - | - | - | - | - | - | (139,600) | - | - | (139,600) |
| At 31.01.2022 | 24,160,000 | 20,118,241 | 1,000,000 | 102,661,682 | 2,671,432 | 530,752 | 5,326,133 | 1,172,105 | 2,700 | 157,643,045 |
| Accumulated depreciation | | | | | | | | | | |
| At 01.02.2021 | - | 4,380,288 | 245,596 | 88,233,943 | 2,368,469 | 518,012 | 5,499,205 | 1,095,577 | 2,699 | 102,343,789 |
| Charge for the year | - | 402,309 | 22,226 | 2,506,710 | 58,516 | 3,488 | 72,886 | 14,268 | - | 3,080,403 |
| Disposals | - | - | - | - | - | - | (127,499) | - | - | (127,499) |
| Write-offs | - | - | - | - | - | - | (139,599) | - | - | (139,599) |
| At 31.01.2022 | - | 4,782,597 | 267,822 | 90,740,653 | 2,426,985 | 521,500 | 5,304,993 | 1,109,845 | 2,699 | 105,157,094 |
| Net carrying value | | | | | | | | | | |
| At 31.01.2022 | 24,160,000 | 15,335,644 | 732,178 | 11,921,029 | 244,447 | 9,252 | 21,140 | 62,260 | 1 | 52,485,951 |

Included in property, plant and equipment of the Group are fully depreciated assets which are still in use, with an aggregate cost of RM89,422,787 (2022: RM85,179,768).

Prior to the adoption of MFRSs in 2013, the Group's freehold land and freehold buildings were stated at valuation less accumulated depreciation and impairment losses. Upon transition to MFRSs, the Group had decided to measure its freehold land and freehold buildings using the cost model under *MFRS 116 Property, Plant and Equipment*. Thus, at the date of transition to MFRS, the optional exemption in *MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards* was applied to regard the revalued amounts of the land and buildings as deemed cost under MFRSs.

The Group assesses at each reporting date, whether there is any indicator that the property, plant and equipment may be impaired. If an indicator is identified, the recoverable amount of the asset is determined based on the higher of value-in-use and its fair value less costs to sell.

6. INVESTMENT IN A SUBSIDIARY

| | Company | |
|--------------------------|------------|------------|
| | 2023 RM | 2022 RM |
| Unquoted shares, at cost | 47,749,184 | 47,749,184 |
| Capital contribution | 3,568,000 | 3,568,000 |
| | 51,317,184 | 51,317,184 |

The capital contribution is for the subsidiary's capital expenditures and working capital purposes, which is treated as quasi-equity. The capital contribution has no fixed term of repayment and is repayable at the discretion of the subsidiary.

The details of the subsidiary are as follows:

| | Equity interest | | Principal place of business and place of incorporation | Principal activities |
|--|-----------------|-----------|--|---|
| | 2023 % | 2022 % | | |
| Perusahaan Jaya Plastik (M) Sdn. Bhd.* | 100 | 100 | Malaysia | Manufacturing and supplying of plastic packaging products |

*Audited by Mazars PLT.

The amount owing by a subsidiary comprises:

| | Company | |
|---------------------|------------|------------|
| | 2023 RM | 2022 RM |
| Dividend receivable | 380,000 | - |
| Non-trade amount | - | 268,258 |
| | 380,000 | 268,258 |

Amount owing by a subsidiary under non-trade in nature represents dividend receivable and unsecured advances which are interest-free and repayable on demand.

Amount owing to a subsidiary represents unsecured advances and payment on behalf of expenses which are interest-free and repayable on demand.

The changes in amount owing to a subsidiary are analysed as follows:

| | Company | |
|-------------------|------------|------------|
| | 2023 RM | 2022 RM |
| At 1 February | - | - |
| Cash flows: | | |
| Advances received | 73,742 | - |
| Payment on behalf | 50,161 | - |
| At 31 January | 123,903 | - |

7. OTHER INVESTMENTS

| | Group | |
|-----------------------------------|------------|------------|
| | 2023 RM | 2022 RM |
| Transferable golf club membership | 85,100 | 85,100 |

The club membership is assessed as having an indefinite useful life and tested annually for impairment.

8. INVENTORIES

| | Group | |
|-------------------|------------|------------|
| | 2023 RM | 2022 RM |
| Raw materials | 2,871,521 | 2,606,901 |
| Finished goods | 2,144,411 | 1,414,548 |
| Packing materials | 210,256 | 231,673 |
| | 5,226,188 | 4,253,122 |

The cost of inventories recognised as an expense during the year was RM24,830,287 (2022: RM28,568,422).

9. TRADE RECEIVABLES

| | Group | |
|----------------------|------------|------------|
| | 2023 RM | 2022 RM |
| Trade receivables | 7,140,321 | 10,304,837 |
| Less: Loss allowance | (58,249) | (48,335) |
| | 7,082,072 | 10,256,502 |

The credit period granted to the customers ranged between 30 to 90 (2022: 30 to 90) days.

The currency exposure profile of trade receivables is as follows:

| | Group | |
|------------------------------|------------|------------|
| | 2023 RM | 2022 RM |
| RM | 6,844,509 | 10,128,790 |
| United States Dollar ("USD") | 146,709 | 127,712 |
| Singapore Dollar ("SGD") | 90,854 | - |
| | 7,082,072 | 10,256,502 |

10. RIGHT TO RETURNED GOODS ASSET

The right to returned goods asset represents the Group's right to recover products from customers where customers exercise their right of return under the Group's return policy. Management applies historical experience to estimate the number of returns on a portfolio level using the expected value method. The average period where the returns are exercised is within 60 (2022: 120) days.

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

| | Group | | Company | |
|------------------------------------|------------|------------|------------|------------|
| | 2023 RM | 2022 RM | 2023 RM | 2022 RM |
| Other receivables | 15,631 | 45,395 | 40 | 40 |
| Deposits | 113,867 | 404,674 | - | - |
| Prepayments | 40,666 | 27,260 | - | - |
| Goods and Services Tax recoverable | 22,903 | 22,903 | - | - |
| | 193,067 | 500,232 | 40 | 40 |

The currency exposure profile of other receivables and deposits (financial assets) is as follows:

| | Group | | Company | |
|-----|------------|------------|------------|------------|
| | 2023 RM | 2022 RM | 2023 RM | 2022 RM |
| RM | 129,498 | 151,192 | 40 | 40 |
| USD | - | 298,877 | - | - |
| | 129,498 | 450,069 | 40 | 40 |

12. SHORT-TERM DEPOSITS WITH LICENSED BANKS

Short-term deposits with licensed banks of the Group represent placements in fixed income fund managed by licensed investment banks, whereby the amount deposited can be withdrawn after giving a notice period of 1 (2022: 1) day. The short-term deposits earn effective interest at 2.37% (2022: 1.81%) per annum.

13. SHARE CAPITAL

| | Group and Company | | | |
|--|---------------------|--------------|---------------------|--------------|
| | 2023 | | 2022 | |
| | Number of shares | Amount RM | Number of shares | Amount RM |
| Issued and fully paid ordinary shares: At 1 February/31 January | 100,000,000 | 51,504,405 | 100,000,000 | 51,504,405 |

14. DEFERRED TAX LIABILITIES

| | Group | |
|--|------------|------------|
| | 2023 RM | 2022 RM |
| At 1 February | 5,506,554 | 5,041,891 |
| Recognised in profit or loss (Note 24) | 86,735 | 501,964 |
| Recognised in other comprehensive income | (37,301) | (37,301) |
| At 31 January | 5,555,988 | 5,506,554 |

The deferred tax liabilities comprise:

| | Group | |
|--|------------|------------|
| | 2023 RM | 2022 RM |
| Temporary differences arising from: | | |
| Difference between net carrying amount and tax written down value of property, plant and equipment | 5,706,967 | 5,644,747 |
| Provisions | (123,516) | (106,484) |
| Others | (27,463) | (31,709) |
| | 5,555,988 | 5,506,554 |

Included in the other comprehensive income is the related tax effects of the following:

- (a) Deferred tax liability of RM800,574 (2022: RM837,875) relating to revaluation surplus of properties arising from revaluations carried out in prior to Group's transition to MFRS. The deferred tax liability is reversed out to other comprehensive income corresponding with the depreciation charge on the underlying revalued properties; and
- (b) Deferred tax liability of RM1,385,305 (2022: RM1,385,305) representing the real property gain tax of 10% (2022: 10%) relating to the revaluation surplus of freehold land arising from revaluations carried out prior to the Group's transition to MFRS.

15. PROVISION FOR GRATUITY PAYMENT

| | Group | |
|------------------------|------------|------------|
| | 2023 RM | 2022 RM |
| At 1 February | 443,682 | 387,159 |
| Provision for the year | 72,240 | 72,465 |
| Unwinding of discount | (1,272) | (15,942) |
| At 31 January | 514,650 | 443,682 |
| Analysed as follows: | | |
| Current | 151,032 | 105,722 |
| Non-current | 363,618 | 337,960 |
| | 514,650 | 443,682 |

16. TRADE PAYABLES

The normal credit period granted by the suppliers ranged between 60 to 120 (2022: 60 to 120) days.

The currency exposure profile of trade payables is as follows:

| | Group | |
|-----|------------|------------|
| | 2023 RM | 2022 RM |
| RM | 832,755 | 2,660,485 |
| USD | 1,351,158 | 1,784,120 |
| | 2,183,913 | 4,444,605 |

17. OTHER PAYABLES AND ACCRUALS

| | Group | | Company | |
|-------------------------------|------------|------------|------------|------------|
| | 2023 RM | 2022 RM | 2023 RM | 2022 RM |
| Other payables | 688,852 | 668,188 | - | 27,406 |
| Accruals | 1,113,120 | 685,195 | 76,000 | 79,272 |
| Sales and Service Tax payable | 7,935 | 27,847 | - | - |
| | 1,809,907 | 1,381,230 | 76,000 | 106,678 |

The currency exposure profile of other payables and accruals (financial liabilities) is as follows:

| | Group | | Company | |
|-----|------------|------------|------------|------------|
| | 2023 RM | 2022 RM | 2023 RM | 2022 RM |
| RM | 1,788,278 | 1,341,434 | 76,000 | 106,678 |
| SGD | 13,694 | 11,949 | - | - |
| | 1,801,972 | 1,353,383 | 76,000 | 106,678 |

18. REFUND LIABILITY

The refund liability relates to customers' right to return products due to manufacturing defects which are usually within 60 (2022: 120) days. At the point of sale, a refund liability and a corresponding adjustment to revenue are recognised for those products expected to be returned. Management uses historical experience to estimate the number of returns on a portfolio level using the expected value method.

19. AMOUNTS OWING TO DIRECTORS

Amounts owing to directors represent unsecured advances which are interest-free and repayable on demand.

20. REVENUE

| | Group | | Company | |
|--|------------|------------|------------|------------|
| | 2023 RM | 2022 RM | 2023 RM | 2022 RM |
| <i>Revenue from contracts with customers recognised at a point in time</i> | | | | |
| - Sale of goods | 44,658,221 | 48,214,058 | - | - |
| - Sale of moulds | 138,000 | 1,097,957 | - | - |
| <i>Other revenue</i> | | | | |
| - Dividend income from a subsidiary | - | - | 380,000 | 1,300,000 |
| | 44,796,221 | 49,312,015 | 380,000 | 1,300,000 |

Disaggregation of revenue from contracts with customers has been presented in the segmental information, Note 32 to the financial statements, which has been presented based on geographical segment from which the revenue transactions originated.

The Group does not have performance obligations that are unsatisfied or partially unsatisfied as at the reporting date.

21. EMPLOYEE BENEFIT EXPENSES (EXCLUDING DIRECTORS)

| | Group | |
|---------------------------------|------------|------------|
| | 2023 RM | 2022 RM |
| Salaries, wages, and allowances | 3,737,209 | 3,259,118 |
| Contributions for EPF | 296,403 | 262,363 |
| Social security costs | 69,508 | 60,688 |
| Other staff benefits | 1,512,837 | 1,363,732 |
| | 5,615,957 | 4,945,901 |

22. REMUNERATION OF KEY MANAGEMENT PERSONNEL

Key management personnel of the Group and the Company are those having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. Directors are considered as the key management personnel of the Group and of the Company.

The remuneration of key management personnel is as follows:

| | Group | | Company | |
|---------------------------|------------|------------|------------|------------|
| | 2023 RM | 2022 RM | 2023 RM | 2022 RM |
| Executive directors : | | | | - |
| - Salaries and allowances | 1,551,721 | 1,551,721 | | - |
| - Provision for gratuity | 72,240 | 72,465 | - | - |
| - Contributions for EPF | 186,216 | 186,216 | - | - |
| | | | - | |
| Non-executive directors: | | | | |
| - Fees | 304,000 | 264,000 | 136,000 | 96,000 |
| - Other emoluments | 14,500 | 10,000 | 14,500 | 10,000 |
| | 2,128,677 | 2,084,402 | 150,500 | 106,000 |

23. (LOSS)/PROFIT BEFORE TAX

(Loss)/Profit before tax is stated after charging/(crediting):

| | Group | | Company | |
|---|------------|------------|------------|------------|
| | 2023 RM | 2022 RM | 2023 RM | 2022 RM |
| Auditors' remuneration | | | | |
| - Statutory audit | 95,000 | 91,000 | 36,000 | 34,500 |
| - Other assurance engagement | 5,000 | 4,000 | 5,000 | 4,000 |
| Gain on disposal of property, plant and equipment | (49,994) | (9,999) | - | - |
| Realised loss on foreign exchange | 113,269 | 68,455 | - | - |
| Rental of low value assets | 3,600 | 3,600 | - | - |
| Rental of short-term assets | 21,600 | 21,600 | - | - |
| Unrealised gain on foreign exchange | (19,303) | (9,161) | - | - |
| Inventories written down | - | 32,219 | - | - |
| Reversal of Inventories written down | (11,597) | - | - | - |
| Property, plant and equipment written off | - | 1 | - | - |

24. TAX EXPENSES/(INCOME)

| | Group | | Company | |
|---------------------------------------|------------|------------|------------|------------|
| | 2023 RM | 2022 RM | 2023 RM | 2022 RM |
| Malaysian tax - deferred | 88,321 | 388,640 | - | - |
| Under/(Over) estimated in prior years | | | | |
| - current tax | 11,255 | (636,223) | - | 13 |
| - deferred tax | (1,586) | 113,324 | - | - |
| | 9,669 | (522,899) | - | 13 |
| Tax expense/(income) | 97,990 | (134,259) | - | 13 |

The difference between tax expense and the amount of tax determined by multiplying the (loss)/profit before tax to the applicable tax rate, is analysed as follows:

| | Group | | Company | |
|--|------------|------------|------------|------------|
| | 2023 RM | 2022 RM | 2023 RM | 2022 RM |
| (Loss)/Profit before tax | (77,738) | 1,218,194 | 2,111 | 986,727 |
| Tax at the applicable tax rate of 24% (2022: 24%) | (18,657) | 292,367 | 507 | 236,814 |
| Tax effects of: | | | | |
| - non-deductible expenses | 149,420 | 155,278 | 90,762 | 75,186 |
| - non-taxable income | (38,711) | (21,772) | (91,269) | (312,000) |
| Tax incentive claimed | (3,731) | (37,233) | - | - |
| Under/(Over) estimated in prior years | 9,669 | (522,899) | - | 13 |
| Tax expense/(income) | 97,990 | (134,259) | - | 13 |

As at the reporting date, the Group has the following tax exempt income, subject to agreement by Inland Revenue Board:

| | 2023 RM | 2022 RM |
|----------------------------|------------|------------|
| Tax exempt account | 2,419,845 | 2,746,793 |
| Tax-exempt dividend income | 5,111,720 | 4,731,720 |

The tax-exempt dividend income is arising from tax-exempt dividend income from the subsidiary and is available for distribution to shareholders.

25. (LOSS)/EARNINGS PER SHARE

(Loss)/Earnings per share is calculated by dividing (loss)/profit for the year by the weighted average number of ordinary shares issued.

| | Group | |
|---|-------------|-------------|
| | 2023 RM | 2022 RM |
| (Loss)/Profit for the year attributable to the owners of the Company (RM) | (175,728) | 1,352,453 |
| Weighted average number of ordinary shares for the purposes of basic earnings per share | 100,000,000 | 100,000,000 |
| Basic (loss)/earnings per share (sen) | (0.18) | 1.35 |

The basic and diluted (loss)/earnings per share are equal as there is no potential dilutive ordinary shares as at the end of the reporting periods.

26. DIVIDENDS

| | Company | |
|--|------------|------------|
| | 2023 RM | 2022 RM |
| <i>In respect of the financial year ended 31 January 2022:</i> | | |
| - Interim tax exempt dividend of 0.50 sen per share | - | 500,000 |
| - Second interim tax exempt dividend of 0.50 sen per share | - | 500,000 |
| | - | 1,000,000 |

The directors do not recommend any dividend for the current financial year.

27. RELATED PARTY DISCLOSURES

- (a) In addition to the related party transactions disclosed elsewhere in the financial statements, significant related party transactions during the financial year are as follows:

| | Group | | Company | |
|---|------------|------------|------------|------------|
| | 2023 RM | 2022 RM | 2023 RM | 2022 RM |
| <i>Transaction with a subsidiary</i> | | | | |
| Dividend received | - | - | 380,000 | 1,300,000 |
| <i>Transaction with a director of Company</i> | | | | |
| Rental expenses of apartment | 21,600 | 21,600 | - | - |

Outstanding balances in respect of the above transactions are disclosed in Notes 6 and 19.

- (b) Compensation of key management personnel

The key management personnel are the directors of the Group and of the Company. The remuneration paid/ payable to the key management personnel is disclosed in Note 22.

28. CAPITAL COMMITMENTS

| | Group | |
|---|------------|------------|
| | 2023 RM | 2022 RM |
| Approved and contracted for: Purchase of property, plant and equipment | 33,272 | - |

29. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

| | Group | | Company | |
|---|------------|------------|------------|------------|
| | 2023 RM | 2022 RM | 2023 RM | 2022 RM |
| Financial assets | | | | |
| <i>At amortised cost</i> | | | | |
| Trade receivables | 7,082,072 | 10,256,502 | - | - |
| Other receivables and deposits | 129,498 | 450,069 | 40 | 40 |
| Amount owing by a subsidiary | - | - | 380,000 | 268,258 |
| Short-term deposits with licensed banks | 6,789,345 | 6,181,397 | - | - |
| Cash and bank balances | 2,483,076 | 845,608 | 10,210 | 35,616 |
| | 16,483,991 | 17,733,576 | 390,250 | 303,914 |
| Financial liabilities | | | | |
| <i>At amortised cost</i> | | | | |
| Trade payables | 2,183,913 | 4,444,605 | - | - |
| Other payables and accruals | 1,801,972 | 1,353,383 | 76,000 | 106,678 |
| Amount owing to a subsidiary | - | - | 123,903 | - |
| Amounts owing to directors | 14,000 | 23,000 | - | 9,000 |
| | 3,999,885 | 5,820,988 | 199,903 | 115,678 |

(b) Fair value of financial instruments

The carrying amounts of financial instruments as at the end of the financial reporting period approximate or were at their fair values due to the relatively short-term maturity of these financial instruments.

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks, including credit risk, foreign currency exchange risk, interest rate risk and liquidity and cash flow risks arising in the normal course of the Group's businesses.

The directors monitor the Group's financial position closely with an objective to minimise potential adverse effects on the financial performance of the Group. The directors review and agree on policies for managing each of these risks and they are summarised below:

(a) Credit risk

Credit risk is the risk of loss that may arise from the possibility that a counterparty may be unable to meet the terms of a contract in which the Group has a gain position.

Trade receivables

The Group is exposed to credit risk mainly from trade receivables. The Group extends credit to its customers based upon careful evaluation of the customers' financial condition and credit history.

As of the end of the reporting period, there was significant concentration of credit risk arising from amounts owing by 3 (2022: 4) major customers which accounted for 65% (2022: 78%) of total trade receivables. The extension of credit to and the repayments from customers are closely monitored by the management to ensure that they adhere to the agreed credit term and policies. The maximum exposure of credit risk arising from receivables is presented by the carrying amounts in the statements of financial position. The Group does not hold any collateral as security.

The risk profile of trade receivables and the provision matrix as at the reporting date which is trade in nature are as follows:

| Group | Expected credit loss rate | Gross carrying amount RM | Loss allowance RM | Carrying amount RM |
|--------------------|---------------------------|--------------------------|-------------------|--------------------|
| 2023 | | | | |
| Not past due | 0.33% | 6,422,797 | (21,836) | 6,400,961 |
| Past due: | | | | |
| 30 days and below | 0.33% | 603,572 | (2,029) | 601,543 |
| 31 to 60 days | 0.33% | 24,820 | (83) | 24,737 |
| 61 to 90 days | 0.33% | 39,858 | (133) | 39,725 |
| 91 to 120 days | 43.60% | 26,781 | (11,675) | 15,106 |
| 120 days and above | 100% | 22,493 | (22,493) | - |
| | | 7,140,321 | (58,249) | 7,082,072 |
| 2022 | | | | |
| Not past due | 0.29% | 8,847,077 | (26,641) | 8,820,436 |
| Past due: | | | | |
| 30 days and below | 0.29% | 1,118,118 | (3,309) | 1,114,809 |
| 31 to 60 days | 0.29% | 298,522 | (902) | 297,620 |
| 91 to 120 days | 39.41% | 31,501 | (7,864) | 23,637 |
| 120 days and above | 100% | 9,619 | (9,619) | - |
| | | 10,304,837 | (48,335) | 10,256,502 |

The movements in the loss allowance for trade receivables are as follows:

| | Group | |
|----------------------------|---------|-----------|
| | 2023 RM | 2022 RM |
| At 1 February | 48,335 | 257,544 |
| Loss allowance | 9,914 | - |
| Reversal of loss allowance | - | (209,209) |
| At 31 January | 58,249 | 48,335 |

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM681,000 (2022: RM1,436,000) that are past due at the reporting date but not impaired respectively. The Group believes that no further loss allowance is necessary in respect of these receivables. They are substantially companies with good collection track record and no recent history of default.

Other receivables and other financial assets

For other receivables and other financial assets (including cash and balances, short term deposits with licensed banks, and amount owing by a subsidiary), the Group and the Company minimise credit risk by dealing exclusively with creditworthy counterparties. Other receivables and other financial assets are subject to insignificant credit loss as management does not expect any losses arising from non-performance by these counterparties.

At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Generally, the Group writes off, partially or fully, the financial asset when it assesses that there is no realistic prospect of recovery of the amount as evidenced by, for example, the debtor's lack of assets or income sources that could generate sufficient cash flows to repay the amounts subjected to the write-off.

Financial guarantee

The Company is exposed to credit risk in relation to financial guarantee given to a licensed bank in respect of credit facilities granted to the subsidiary. The maximum exposure to credit risk amounted to RM6,850,000 (2022: RM6,850,000) representing the maximum amount the Company could pay if the guarantee is called on. The Company monitors on an ongoing basis of the results of the subsidiary and repayments made in respect of amounts outstanding under these credit facilities.

The management determined the fair value of the above financial guarantee to be not significant at its initial recognition.

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of foreign exchange rates.

The Group is exposed to foreign currency risk on overseas sales and purchases that are denominated in currencies other than the functional currency of the Group. The foreign currency giving rise to this risk is primarily USD.

The Group reviews the position of amounts outstanding from the foreign currency denominated balances periodically so as to mitigate the negative impact arising from fluctuations in exchange rates on a timely basis. Currently, the Group does not use any financial derivative instruments to hedge its foreign currency risk.

The currency exposures of each financial instrument are disclosed in the respective notes to the financial statements.

A sensitivity analysis has been performed based on the outstanding foreign currency denominated monetary items of the Group as at reporting date. If USD was to strengthen or weaken by 5% against RM with all other variables held constant, the Group's (loss)/profit after tax would increase or decrease by approximately RM60,000 (2022: RM52,000). There was no impact on other equity line item other than retained earnings.

The other foreign currency denominated monetary items as at reporting date are not material, hence the sensitivity analysis has not been presented.

(c) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates.

The Group's income and operating cash flows are substantially independent of changes in market interest rates. Exposure to changes in interest rate relates primarily to the Group's short-term deposits with licensed banks which is subject to floating rates. The Group does not hedge its interest rate risk.

A sensitivity analysis has been performed based on the outstanding floating rate short-term deposits with licensed banks as at reporting date. If interest rate were to increase or decrease by 50 basis points with all other variables held constant, the Group's (loss)/profit after tax would decrease or increase by RM26,000 (2022: RM23,000). There was no impact on other equity line item other than retained earnings.

(d) Liquidity and cash flow risks

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds.

The Group seeks to ensure all business units maintain optimum levels of liquidity at all times, sufficient for their operating, investing and financing activities.

Therefore, the policy seeks to ensure that each business unit, through efficient working capital management (i.e. accounts receivable, inventories and accounts payable management), must be able to convert its current assets into cash to meet all demands for external payments as and when they fall due.

As at the reporting date, the financial liabilities of the Group and of the Company are repayable within one year.

The table below summarised issued financial guarantee contract of the Company, which represent the credit facilities utilised by the subsidiary at the reporting date, and is allocated to the earliest period in which the guarantee could be called. However, based on the subsidiary's ability to generate sufficient cash flows from its operations to repay its credit facilities at the end of the reporting period, the directors do not foresee the guarantee will be called.

| Company | Contractual undiscounted cash flows RM | Within 1 year RM |
|--------------------------------------|---|---------------------|
| 2023 Financial guarantee contract | 1,317,104 | 1,317,104 |
| 2022 Financial guarantee contract | 1,445,680 | 1,445,680 |

31. CAPITAL MANAGEMENT

The Group's primary objectives when managing its capital are to safeguard the Group's ability to continue as a going concern and to provide adequate returns to shareholders whilst sustaining future development of the business.

The Group actively and regularly reviews and manages its capital structure. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares, secure new borrowing or sell assets to reduce debts.

No changes were made in the objectives, policies or processes during the year.

As at the reporting date, the Group does not have any external borrowing (2022: RMNil). Accordingly, no debt-to-equity ratio is presented.

32. SEGMENTAL INFORMATION

Business Segments

The Group operates in a single industry in the business of manufacturing and supplying of plastic packaging products and moulds and solely in Malaysia. Accordingly, no segment information about Group's revenue, profit or loss, assets and liabilities are reported separately.

Geographical Segments

The disaggregation of the Group's revenue from external customers attributed to Malaysia and other geographical area, from which the Group derived revenue is as follows:

| | 2023 RM | 2022 RM |
|----------|------------|------------|
| Malaysia | 44,284,089 | 48,954,920 |
| Others | 512,132 | 357,095 |
| | 44,796,221 | 49,312,015 |

Major Customers

During the financial year, revenue contribution totaling RM33,042,159 (2022: RM37,456,561) out of the Group's revenue were contributed by 3 (2022: 4) major customers of the Group. Each customer represents revenue contribution equal or more than 10% of the Group's revenue.

33. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The financial statements were authorised for issue by the board of directors on 15 May 2023.

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

We, Chen Teck Shin and Chen Yat Lee, being two of the directors of CYL Corporation Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 43 to 73 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 January 2023 and financial performance and cash flows of the Group and of the Company for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the board of directors in accordance with a directors' resolution.

CHEN TECK SHIN

Director

CHEN YAT LEE

Director

Kuala Lumpur

15 May 2023

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Chen Teck Shin, being the director primarily responsible for the financial management of CYL Corporation Berhad, do solemnly and sincerely declare that, to the best of my knowledge and belief, the accompanying financial statements set out on pages 43 to 73 are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by
the abovenamed **CHEN TECK SHIN**
at **KUALA LUMPUR** in the Federal
Territory this 15th day of May, 2023.

Before me,

CHEN TECK SHIN

Chartered Accountant

(MIA Membership No. 37455)

COMMISSIONER FOR OATHS

LIST OF PROPERTIES

AS AT 31 JANUARY 2023

A summary of the information on the landed properties of CYL Group as at 31 January 2023 are as follows:

| Title/ Location | Existing use/ Description of property | Area (sq. ft.) | Tenure | Approximate age of building (years) | Net book value as at 31 January 2023 RM | Date of Valuation |
|--|---|----------------|----------|-------------------------------------|---|-------------------|
| Held under Title No. H.S. (D) 184080 Lot No. PT 76 Mukim of Pekan Hicom District of Petaling State of Selangor (after amalgamation of land title) 8-10-12, Jalan Teluk Gadung 27/93 Section 27, 40000 Shah Alam Selangor Darul Ehsan | Industrial/ A three storey office building annexed with three single storey factory/ warehouse | 226,466 | Freehold | 26 - 29 years | 23,369,232 | 11 November 2010 |
| Held under Title No. H.S. (D) 71252 Lot No. PT 23 Mukim of Damansara District of Petaling State of Selangor Lot 23, Jalan Jaya Setia 26/3 Section 26, Hicom Industrial Estate 40000 Shah Alam Selangor Darul Ehsan | Industrial/ A double storey office building annexed with single storey factory/ warehouse | 43,560 | Freehold | 32 | 4,258,500 | 11 November 2010 |
| Held under Title No. H.S. (D) 63661 Lot No. PT 664 Mukim of Damansara District of Petaling State of Selangor 36, Jalan Batu Belah 27/96 Section 27, 40000 Shah Alam Selangor Darul Ehsan | Industrial/ An intermediate unit 1½ storey terraced factory | 3,900 | Freehold | 29 | 508,017 | 11 November 2010 |

| Title/ Location | Existing use/ Description of property | Area (sq. ft.) | Tenure | Approximate age of building (years) | Net book value as at 31 January 2023 RM | Date of Valuation |
|--|--|----------------|----------|-------------------------------------|---|-------------------|
| Held under Master Title Nos. H.S. (D) 63617 & H.S.(D) 63619 Master Lot Nos. PT 617 & PT 620 respectively, both in Mukim of Damansara District of Petaling State of Selangor Ten Units of Medium Cost Apartment located at Taman Bunga Negara (Hicom Sector B) Section 26/27, 40400 Shah Alam Selangor Darul Ehsan | Residential/ Ten units of medium cost apartment | Not applicable | Freehold | 27 | 709,957 | 11 November 2010 |
| Held under Title No. H.S.(D) 63660 Lot No. PT 663 Mukim of Damansara District of Petaling State of Selangor 34, Jalan Batu Belah 27/96 Section 27, 40000 Shah Alam Selangor Darul Ehsan | A 1 ½ storey factory | 3,900 | Freehold | 28 | 509,060 | 11 November 2010 |
| Held under Title No. H.S.(D) 63630 Lot No. PT 632 Mukim of Damansara District of Petaling State of Selangor 4, Jalan Teluk Gadung 27/93 Section 27, 40000 Shah Alam Selangor Darul Ehsan | Industrial/ A double storey office building annexed with single storey factory/ warehouse | 55,565 | Freehold | 15 | 7,148,470 | 11 November 2010 |
| Held under Title No. H.S.(D) 63631 Lot No. PT 633 Mukim of Damansara District of Petaling State of Selangor 2, Jalan Teluk Gadung 27/93 Section 27, 40000 Shah Alam Selangor Darul Ehsan | Industrial land | 55,565 | Freehold | Not applicable | 3,300,000 | 11 November 2010 |

ANALYSIS OF SHAREHOLDINGS

as at 28 April 2023

No. of Issued Shares : 100,000,000
 Class of Shares : Ordinary Shares
 Voting Rights : One (1) vote per Ordinary Share
 No. of Shareholdings : 1,306

SHAREHOLDINGS DISTRIBUTION

| Size of Holdings | No. of Shareholders | % | No. of Shares held | % |
|----------------------------------|---------------------|---------------|--------------------|---------------|
| Less than 100 | 17 | 1.30 | 407 | 0.00 |
| 100 – 1,000 | 259 | 19.83 | 182,200 | 0.18 |
| 1,001 – 10,000 | 631 | 48.31 | 3,327,535 | 3.33 |
| 10,001 – 100,000 | 336 | 25.73 | 10,841,500 | 10.84 |
| 100,001 to < 5% of issued shares | 59 | 4.52 | 21,941,300 | 21.94 |
| 5% and above of issued shares | 4 | 0.31 | 63,707,058 | 63.71 |
| Total | 1,306 | 100.00 | 100,000,000 | 100.00 |

LIST OF TOP 30 SHAREHOLDERS/DEPOSITORS

| No. | Name | No. of Shares held | % |
|-----|---|--------------------|-------|
| 1 | CHEN YAT LEE | 28,992,900 | 28.99 |
| 2 | CHEN TECK SHIN | 19,674,300 | 19.67 |
| 3 | ABU TALIB BIN OTHMAN | 10,007,058 | 10.01 |
| 4 | CGS-CIMB NOMINEES (TEMPATAN) SDN BHD <i>[PLEDGED SECURITIES ACCOUNT FOR CHEN YAT LEE (MM1133)]</i> | 5,032,800 | 5.03 |
| 5 | CHEN WAI LING | 3,000,000 | 3.00 |
| 6 | MAYBANK NOMINEES (TEMPATAN) SDN BHD <i>[PLEDGED SECURITIES ACCOUNT FOR CHENG LAI HOCK]</i> | 2,845,900 | 2.85 |
| 7 | AMSEC NOMINEES (TEMPATAN) SDN BHD <i>[PLEDGED SECURITIES ACCOUNT FOR LOW KUM MOON]</i> | 1,489,400 | 1.49 |
| 8 | ADDEEN TRADING SDN BHD | 840,400 | 0.84 |
| 9 | LOW KIM AIK | 791,100 | 0.79 |
| 10 | ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD <i>[PLEDGED SECURITIES ACCOUNT FOR LOW KUM MOON (7001268)]</i> | 729,900 | 0.73 |
| 11 | HLB NOMINEES (TEMPATAN) SDN BHD <i>[PLEDGED SECURITIES ACCOUNT FOR TAN KONG HAN]</i> | 600,000 | 0.60 |
| 12 | LEONG KOK HOU | 600,000 | 0.60 |
| 13 | LIEW KIM CHOI | 574,000 | 0.57 |
| 14 | AMSEC NOMINEES (TEMPATAN) SDN BHD <i>[PLEDGED SECURITIES ACCOUNT FOR CHU YI PEI]</i> | 527,200 | 0.53 |
| 15 | WONG CHEW HIN | 510,000 | 0.51 |

LIST OF TOP 30 SHAREHOLDERS/DEPOSITORS

| No. | Name | No. of Shares held | % |
|-----|--|--------------------|-------|
| 16 | M & A NOMINEES (TEMPATAN) SDN BHD <i>[PLEDGED SECURITIES ACCOUNT FOR OOI CHEN SENG (M&A)]</i> | 434,200 | 0.43 |
| 17 | NG INN JWEE | 404,000 | 0.40 |
| 18 | LOW KUM MOON | 350,000 | 0.35 |
| 19 | LOW YEW SENG | 320,000 | 0.32 |
| 20 | PUBLIC NOMINEES (TEMPATAN) SDN BHD <i>[PLEDGED SECURITIES ACCOUNT FOR LAU YU MOI (E-IMO)]</i> | 305,100 | 0.31 |
| 21 | CGS-CIMB NOMINEES (TEMPATAN) SDN BHD <i>[PLEDGED SECURITIES ACCOUNT FOR KOH KIN LIP (MY0502)]</i> | 300,000 | 0.30 |
| 22 | RHB NOMINEES (TEMPATAN) SDN BHD <i>[PLEDGED SECURITIES ACCOUNT FOR OOI CHEN SENG]</i> | 294,900 | 0.29 |
| 23 | HSBC NOMINEES (ASING) SDN BHD <i>[J.P. MORGAN SECURITIES PLC]</i> | 261,800 | 0.26 |
| 24 | HLIB NOMINEES (TEMPATAN) SDN BHD <i>[PLEDGED SECURITIES ACCOUNT FOR TAN KIM SEONG (CCTS)]</i> | 260,000 | 0.26 |
| 25 | TAN AH BA | 260,000 | 0.26 |
| 26 | CGS-CIMB NOMINEES (TEMPATAN) SDN BHD <i>[PLEDGED SECURITIES ACCOUNT FOR SON TONG LEONG (MY1225)]</i> | 250,000 | 0.25 |
| 27 | CIMSEC NOMINEES (TEMPATAN) SDN BHD <i>[CIMB FOR SIVA KUMAR A/L M JEYAPALAN (PB)]</i> | 240,500 | 0.24 |
| 28 | M & A NOMINEES (TEMPATAN) SDN BHD <i>[PLEDGED SECURITIES ACCOUNT FOR GRACE CHEAH YEONG SEN (PNG)]</i> | 240,000 | 0.24 |
| 29 | JASON LEE WING YOON | 231,000 | 0.23 |
| 30 | TIOW BEE LAN | 220,000 | 0.22 |
| | | 80,586,458 | 80.59 |

DIRECTORS' SHAREHOLDINGS

(As per the Register of Directors' Shareholdings)

| No. | Name | No. of Shares Held | | | |
|-----|---|--------------------|-------|-----------------|---|
| | | Direct Interest | % | Deemed Interest | % |
| 1 | Chen Yat Lee | 34,025,700 | 34.03 | – | – |
| 2 | Chen Teck Shin | 19,674,300 | 19.67 | – | – |
| 3 | Tan Sri Abu Talib Bin Othman | 10,007,058 | 10.01 | – | – |
| 4 | Chen Wai Ling | 3,000,000 | 3.00 | – | – |
| 5 | Tang Sook Kuen | – | – | – | – |
| 6 | Abd Malik Bin A Rahman <i>(appointed on 1 February 2023)</i> | – | – | – | – |
| 7 | Gan Kok Ling | – | – | – | – |
| 8 | Chen Teck Sun <i>(also the Alternate Director to Chen Yat Lee)</i> | – | – | – | – |

SUBSTANTIAL SHAREHOLDERS

(As per the Register of Substantial Shareholders)

| No. | Name | No. of Shares Held | | | |
|-----|------------------------------|--------------------|-------|-----------------|---|
| | | Direct Interest | % | Deemed Interest | % |
| 1 | Chen Yat Lee | 34,025,700 | 34.03 | – | – |
| 2 | Chen Teck Shin | 19,674,300 | 19.67 | – | – |
| 3 | Tan Sri Abu Talib Bin Othman | 10,007,058 | 10.01 | – | – |

ADMINISTRATIVE GUIDE FOR THE TWENTY-THIRD ANNUAL GENERAL MEETING (“AGM”) OF CYL CORPORATION BERHAD

Date : Thursday, 20 July 2023
Time : 10.00 a.m.
Meeting Venue : Online Meeting Platform provided by Tricor Investor & Issuing House Services Sdn. Bhd. (“Tricor”) in Malaysia
Meeting Platform : TIIH Online website at <https://tiih.online> or <https://tiih.com.my>

MODE OF MEETING

The Company continues to leverage on technology to facilitate communications with its shareholders by allowing easier and more efficient access for them to attend the Twenty-Third AGM which will be conducted on a fully virtual manner through live streaming and online remote voting via Remote Participation and Voting (“RPV”) facilities on the online meeting platform provided by Tricor.

The online meeting platform of the AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 and the Guidance Note on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia. Shareholders/proxy(ies) will not be allowed to attend the AGM in person on the day of the AGM of the Company. With the RPV facilities, you may exercise your right as a member of the Company to participate (including the right to pose questions to the Board of Directors and/or Management of the Company) and vote at the AGM. Alternatively, you may also appoint the Chairman of the meeting as your proxy to attend and vote on your behalf at the AGM.

RPV FACILITIES

The RPV facilities are available on Tricor’s TIIH Online website at <https://tiih.online>.

Shareholders are to attend, speak (in the form of real time submission of typed texts) and vote (collectively, “participate”) remotely at the AGM using RPV facilities from Tricor.

A shareholder who has appointed a proxy, attorney or authorised representative to participate at the Twenty-Third AGM via RPV facilities must request his/her proxy or attorney or authorised representative to register himself/herself for RPV facilities via TIIH Online website at <https://tiih.online>.

Kindly refer to Procedures for Remote Participation and Voting via RPV facilities as set out below for the requirements and procedures.

PROCEDURES FOR REMOTE PARTICIPATION AND VOTING VIA RPV FACILITIES

Please read and follow the procedures below to engage in remote participation through live streaming and online remote voting at the AGM using the RPV facilities:

| Procedure | Action |
|--|--|
| Before the AGM Day | |
| i. Register as a user with TIIH Online | <ul style="list-style-type: none"> Using your computer, access to website at https://tiih.online. Register as a user under the “e-Services”, select the “Sign Up” button and followed by “Create Account by Individual Holder”. Please refer to the tutorial guide posted on the homepage for assistance. Registration as a user will be approved within one (1) working day and you will be notified via e-mail. If you are already a user with TIIH Online, you are not required to register again. You will receive an e-mail to notify you that the remote participation is available for registration at TIIH Online. |
| ii. Submit your request to attend AGM remotely | <ul style="list-style-type: none"> Registration is open from 10.00 a.m. on Thursday, 25 May 2023 until the day of AGM on Thursday, 20 July 2023. Shareholder(s), proxy(ies), corporate representative(s) or attorney(s) are required to pre-register their attendance for the AGM to ascertain their eligibility to participate the AGM using the RPV facilities. Login with your user ID (i.e. e-mail address) and password and select the corporate event: “(REGISTRATION) CYL CORPORATION BERHAD 23RD AGM”. Read and agree to the Terms & Conditions and confirm the Declaration. Select “Register for Remote Participation and Voting”. Review your registration and proceed to register. System will send an e-mail to notify that your registration for remote participation is received and will be verified. After verification of your registration against the Record of Depositors as at 12 July 2023, the system will send you an e-mail on or after 18 July 2023 to approve or reject your registration for remote participation. <p><i>(Note: Please allow sufficient time for approval of new user of TIIH Online and registration for the RPV)</i></p> |

| On the AGM Day | | |
|----------------|------------------------------------|---|
| i. | Login to TIH Online | <ul style="list-style-type: none"> Login with your user ID and password for remote participation at the AGM at any time from 9.00 a.m. i.e. 1 hour before the commencement of meeting at 10.00 a.m. on Thursday, 20 July 2023. |
| ii. | Participate through Live Streaming | <ul style="list-style-type: none"> Select the corporate event: “(LIVE STREAM MEETING) CYL CORPORATION BERHAD 23RD AGM” to engage in the proceedings of the AGM remotely. If you have any questions for the Chairman/Board, you may use the query box to transmit your question. The Chairman/Board will try to respond to questions submitted by remote participants during the AGM. If there is time constraint, the responses will be e-mailed to you at the earliest possible, after the meeting. |
| iii. | Online remote voting | <ul style="list-style-type: none"> Voting session commences from 10.00 a.m. on Thursday, 20 July 2023 until a time when the Chairman announces the end of the session. Select the corporate event: “(REMOTE VOTING) CYL CORPORATION BERHAD 23RD AGM” or if you are on the live stream meeting page, you can select “GO TO REMOTE VOTING PAGE” button below the Query Box. Read and agree to the Terms & Conditions and confirm the Declaration. Select the CDS account that represents your shareholdings. Indicate your votes for the resolutions that are tabled for voting. Confirm and submit your votes. |
| iv. | End of remote participation | <ul style="list-style-type: none"> Upon the announcement by the Chairman on the conclusion of the AGM, the Live Streaming will end. |

Note to users of the RPV facilities:

- Should your registration for RPV facilities be approved, we will make available to you the rights to join the live stream meeting and to vote remotely. Your login to TIH Online on the day of meeting will indicate your presence at the virtual meeting.
- The quality of your connection to the live broadcast is dependent on the bandwidth and stability of the internet at your location and the device you use.
- In the event you encounter any issues with logging-in, connection to the live stream meeting or online voting on the meeting day, kindly call Tricor Help Line at 011-40805616 / 011-40803168 / 011-40803169 / 011-40803170 for assistance or e-mail to tiih.online@my.tricorglobal.com for assistance.

ENTITLEMENT TO PARTICIPATE AND APPOINTMENT OF PROXY

- Only members whose names appear on the Record of Depositors as at **12 July 2023** shall be eligible to attend, speak and vote at the AGM or appoint a proxy(ies) and/or the Chairman of the Meeting to attend and vote on his/her behalf.
- In view that the AGM will be conducted on a fully virtual basis, a member can appoint the Chairman of the Meeting as his/her proxy and indicate the voting instruction in the Proxy Form.

3. If you wish to participate in the AGM yourself, please do not submit any Proxy Form for the AGM. You will not be allowed to participate in the AGM together with a proxy appointed by you.

- Accordingly, proxy forms and/or documents relating to the appointment of proxy/corporate representative/attorney for the AGM whether in hard copy or by electronic means must be deposited or submitted to the Share Registrar in the following manner not later than **Tuesday, 18 July 2023 at 10.00 a.m.:**

i. In hard copy form:

By hand or post to the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia;

ii. By electronic form:

All shareholders can have the option to submit proxy forms electronically via TIH Online and the steps to submit are summarised below:

| Procedure | Action |
|---|--|
| 1. Steps for Individual Shareholders | |
| i. | <p>Register as a user with TIH Online</p> <ul style="list-style-type: none"> Using your computer, access to website at https://tiih.online. Register as a user under the “e-Services”, select the “Sign Up” button and followed by “Create Account by Individual Holder”. Please refer to the tutorial guide posted on the homepage for assistance. Registration as a user will be approved within one (1) working day and you will be notified via e-mail. If you are already a user with TIH Online, you are not required to register again. You will receive an e-mail to notify you that the remote participation is available for registration at TIH Online. |
| ii. | <p>Proceed with submission of Proxy Form</p> <ul style="list-style-type: none"> After the release of the Notice of Meeting by the Company on Thursday, 25 May 2023, login with your username (i.e. email address) and password. Select the corporate event: “CYL CORPORATION BERHAD 23RD AGM - SUBMISSION OF PROXY FORM”. Read and agree to the Terms and Conditions and confirm the Declaration. Insert your CDS account number and indicate the number of shares for your proxy(s) to vote on your behalf. Appoint your proxy(s) and insert the required details of your proxy(s) or appoint the Chairman as your proxy. |

| Procedure | Action |
|---|--|
| ii. Proceed with submission of Proxy Form | <ul style="list-style-type: none"> Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide on your votes. Review and confirm your proxy(s) appointment. Print the Proxy Form for your record. |
| 2. Steps for corporation or institutional shareholders | |
| i. Register as a user with TIIH Online | <ul style="list-style-type: none"> Access TIIH Online at https://tiih.online. Under e-Services, the authorised or nominated representative of the corporation or institutional shareholder selects the “Sign Up” button and followed by “Create Account by Representative of Corporate Holder”. Complete the registration form and upload the required documents. Registration will be verified, and you will be notified by email within one (1) to two (2) working days. Proceed to activate your account with the temporary password given in the email and re-set your own password. <p><i>(Note: The representative of a corporation or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact our Share Registrar if you need clarifications on the user registration.)</i></p> |
| ii. Proceed with submission of Proxy Form | <ul style="list-style-type: none"> Login to TIIH Online at https://tiih.online. Select the corporate event name: “CYL CORPORATION BERHAD 23RD AGM - SUBMISSION OF PROXY FORM”. Agree to the Terms & Conditions and Declaration. Proceed to download the file format for “Submission of Proxy Form” in accordance with the Guidance Note set therein. Prepare the file for the appointment of proxy(ies) by inserting the required data. Submit the proxy appointment file. Proceed to upload the duly completed proxy appointment file. Select “Submit” to complete your submission. Print the confirmation report of your submission for your record. |

POLL VOTING

- The voting at the AGM will be conducted by poll pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”). The Company has appointed Tricor as Share Registrar to conduct the poll by way of electronic voting (e-voting).
- Members/proxies/corporate representatives/attorneys can proceed to vote on the resolutions before the end of the voting session which will be announced by the Chairman of the Meeting and submit your votes at any time from the commencement of the AGM at 10.00 a.m on Thursday, 20 July 2023. Kindly refer to “Procedures for Remote Participation and Voting via RPV Facilities” provided above for guidance on how to vote remotely via TIIH Online.
- Upon completion of the voting session for the AGM, the Scrutineer will verify the poll results followed by the Chairman’s declaration whether the resolutions are duly passed.

PRE-MEETING SUBMISSION OF QUESTIONS TO THE BOARD OF DIRECTORS

The Board recognises that the AGM is a valuable opportunity for the Board to engage with shareholders. In order to enhance the efficiency of the proceedings of the AGM, shareholders may in advance, before the AGM, submit questions to the Board via Tricor’s TIIH Online website at <https://tiih.online>, by selecting “e-Services” to login, post your questions and submit it electronically no later than **Tuesday, 18 July 2023 at 10.00 a.m**. The Board of Directors will endeavour to address the questions received at the AGM.

NO RECORDING OR PHOTOGRAPHY

Unauthorised recording and photography are strictly prohibited at the Twenty-Third AGM of the Company.

DOOR GIFT / E-VOUCHER

There will be no distribution of door gift or e-voucher for attending the Twenty-Third AGM of the Company.

ENQUIRY

If you have any enquiry prior to the Twenty-Third AGM, please contact the Share Registrar at:

| Tricor Investor & Issuing House Services Sdn. Bhd. 197101000970 (11324-H) | |
|---|---|
| Address | Unit 32-01, Level 32, Tower A Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi 59200 Kuala Lumpur, Malaysia |
| Telephone Number | 03-2783 9299 |
| Fax Number | 03-2783 9222 |
| Email address | is.enquiry@my.tricorglobal.com |



CYL CORPORATION BERHAD

200001013537 (516143-V)
(Incorporated in Malaysia)

PROXY FORM

| No. of Shares Held |
|--------------------|
| |

| CDS Account No. | | | | | | | | | | | |
|-----------------|--|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | | | |

*I/We _____ Tel: _____
 [Full name in block and NRIC/Passport/Company No.]

of _____
 being member(s) of **CYL Corporation Berhad**, hereby appoint:-

| Full Name (in Block) | NRIC/Passport No. | Proportion of Shareholdings | |
|----------------------|-------------------|-----------------------------|---|
| | | No. of Shares | % |
| | | | |
| Address | | | |
| Email Address | | | |
| Contact No. (Mobile) | | | |

and / or (delete as appropriate)

| Full Name (in Block) | NRIC/Passport No. | Proportion of Shareholdings | |
|----------------------|-------------------|-----------------------------|---|
| | | No. of Shares | % |
| | | | |
| Address | | | |
| Email Address | | | |
| Contact No. (Mobile) | | | |

or failing him/her, the Chairman of the Meeting as *my/our proxy(ies) to attend and vote for *me/us and on *my/our behalf at the Twenty-Third Annual General Meeting ("AGM") of the Company which will be conducted on a fully virtual manner through live streaming via the online meeting platform at TIH Online, provided by Tricor Investor & Issuing House Services Sdn. Bhd. in Malaysia via its website, <https://tjih.online> or <https://tjih.com.my> on Thursday, 20 July 2023 at 10.00 a.m. and at any adjournment thereof, and to vote as indicated below:-

| ORDINARY RESOLUTION | FOR | AGAINST |
|--|-----|---------|
| 1 Re-election of Tan Sri Abu Talib Bin Othman | | |
| 2 Re-election of Mr Chen Teck Shin | | |
| 3 Re-election of Encik Abd Malik Bin A Rahman | | |
| 4 Re-election of Mr Chen Teck Sun | | |
| 5 Approval of Non-Executive Directors' fees for the period commencing on the date immediately after the Twenty-Third AGM up to the date of the next AGM to be held in 2024 | | |
| 6 Approval of Non-Executive Directors' benefits for the period commencing on the date immediately after the Twenty-Third AGM up to the date of the next AGM to be held in 2024 | | |
| 7 Re-appointment of Mazars PLT as Auditors | | |
| 8 Authority for Directors to issue shares and waiver of pre-emptive rights | | |

(Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he / she thinks fit.)

Dated this _____ day of _____, 2023

_____ Member^

* Please delete whichever is inapplicable

^ Manner of execution:

- (a) If you are an individual member, please sign where indicated.
- (b) If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.
- (c) If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:
 - (i) at least two (2) authorised officers, of whom one shall be a director; or
 - (ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

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Notes:

1. **IMPORTANT NOTICE**

The Twenty-Third Annual General Meeting ("AGM") of the Company will be conducted on a fully virtual manner through live streaming in line with the Guidance Note on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia.

All meeting participants including the Chairman of the meeting, board members, senior management and shareholders are required to participate in the meeting online.

Shareholders are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at this AGM via the Remote Participation and Voting ("RPV") facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. via its **TIIH Online** website at <https://tiih.online>.

Please read these Notes carefully and follow the procedures in the Administrative Guide for the Twenty-Third AGM in order to participate remotely via RPV facilities.

- For the purpose of determining who shall be entitled to participate in this AGM via RPV facilities, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, the **Record of Depositors as at 12 July 2023**. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this AGM via RPV facilities.
- A member who is entitled to participate in this AGM via RPV facilities is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company.
- A member of the Company who is entitled to participate at a general meeting of the Company may appoint not more than two (2) proxies to participate instead of the member at the AGM.

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- Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
- Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- A member who has appointed a proxy or attorney or authorised representative to participate at the Twenty-Third AGM via RPV facilities **must request his/her proxy or attorney or authorised representative to register himself/herself for RPV facilities via TIIH Online website at <https://tiih.online>**. Procedures for RPV facilities can be found in the Administrative Guide for the Twenty-Third AGM.
- The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote:
 - In hard copy form

In the case of an appointment made in hard copy form, the proxy form must be deposited with the Company's Share Registrar at Tricor Investor & Issuing

AFFIX STAMP

The Share Registrar
CYL CORPORATION BERHAD

200001013537 (516143-V)

Level 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3, Bangsar South
No. 8 Jalan Kerinchi, 59200 Kuala Lumpur
Malaysia

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House Services Sdn. Bhd. of Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

(ii) By electronic means

The proxy form can be electronically lodged with the Share Registrar of the Company via TIIH Online at <https://tiih.online>. Kindly refer to the Administrative Guide for the Twenty-Third AGM on the procedures for electronic lodgement of proxy form via TIIH Online.

- Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Company's Share Registrar at Tricor Investor & Issuing House Services Sdn. Bhd. of Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
- Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
- Last date and time for lodging the proxy form is **Tuesday, 18 July 2023 at 10.00 a.m.**

- For a corporate member who has appointed an authorised representative instead of a proxy to attend this meeting, please deposit the **ORIGINAL** certificate of appointment of authorised representative with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd. of Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

The certificate of appointment of authorised representative should be executed in the following manner:

- If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
 - If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - at least two (2) authorised officers, of whom one shall be a director; or
 - any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
- Shareholders are advised to check the Company's website at www.cylcorporation.com and announcements from time to time for any changes to the administration of the Twenty-Third AGM.



CYL CORPORATION BERHAD

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