

CYPARK RESOURCES BERHAD
(Company No: 642994-H)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 OCTOBER 2010

Unaudited Condensed Consolidated Income Statement
For the Fourth Quarter ended 31 October 2010

| | <u>Individual Quarter</u> | | <u>Cumulative Period</u> | |
|--|--|---|--|---|
| | <u>Current Year</u> <u>Quarter</u> <u>31 October 2010</u> <u>RM</u> | <u>Preceding Year</u> <u>Quarter (Note 2)</u> <u>31 October 2009</u> <u>RM</u> | <u>Current Year</u> <u>To Date</u> <u>31 October 2010</u> <u>RM</u> | <u>Preceding Year</u> <u>To Date (Note 2)</u> <u>31 October 2009</u> <u>RM</u> |
| Revenue | 36,311,658 | N/A | 176,910,744 | N/A |
| Cost of sales | (22,964,026) | N/A | (127,318,149) | N/A |
| Gross profit | 13,347,631 | N/A | 49,592,595 | N/A |
| Other income | 307,482 | N/A | 977,636 | N/A |
| Administrative expenses | (1,499,305) | N/A | (11,249,655) | N/A |
| Operating profit | 12,155,808 | N/A | 39,320,576 | N/A |
| Finance costs | (3,777,294) | N/A | (9,827,373) | N/A |
| Profit before tax | 8,378,514 | N/A | 29,493,203 | N/A |
| Income tax expense | (2,994,022) | N/A | (9,066,296) | N/A |
| Profit for the period attributable to equity holders of the Company | 5,384,492 | N/A | 20,426,907 | N/A |
| Earnings per share attributable to equity holders of the Company | | | | |
| - Basic (Note 3) | 0.04 | N/A | 0.14 | N/A |
| - Diluted | 0.04 | N/A | 0.14 | N/A |

Notes

- (1) The Unaudited Condensed Consolidated Income Statement should be read in conjunction with the Proforma Consolidated Information and the Accountants' Report for the period ended 31 March 2010 as disclosed in the Prospectus of the Company dated 28 September 2010 and the accompanying notes attached to this interim financial statements.
- (2) This is the first year interim financial report on the consolidated results of the Company and its subsidiaries announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. As such, there are no comparative figures for the preceding year's corresponding quarter and period.
- (3) Based on the issued share capital of 145,000,000 shares after the completion of the initial Public Offering (as detailed in note B8).

CYPARK RESOURCES BERHAD
(Company No: 642994-H)

Unaudited Condensed Consolidated Balance Sheets
As at 31 October 2010

| | (Unaudited) As At 31 October 2010 RM | Audited As At 31 October 2009 RM |
|---|---|---|
| Assets | | |
| Non-current assets | | |
| Plant and equipment | 1,697,591 | N/A |
| Intangible assets | 127,316 | N/A |
| Other investments | 170,000 | N/A |
| | <u>1,994,907</u> | <u>N/A</u> |
| Current assets | | |
| Trade receivables | 161,834,917 | N/A |
| Other receivables | 2,278,716 | N/A |
| Cash and cash equivalents | 61,133,576 | N/A |
| | <u>225,247,209</u> | <u>N/A</u> |
| Total assets | <u>227,242,116</u> | <u>N/A</u> |
| Equity and liabilities | | |
| Equity attributable to equity holders of the company | | |
| Share capital | 72,500,000 | N/A |
| Share premium | 15,204,519 | N/A |
| Foreign exchange reserve | (243,109) | N/A |
| Foreign statutory reserve | 85,001 | N/A |
| Reverse acquisition reserve | (36,700,000) | N/A |
| Retained profits | 36,537,566 | N/A |
| Total equity | <u>87,383,977</u> | <u>N/A</u> |
| Non-current liabilities | | |
| Borrowings | 32,342,959 | N/A |
| Deferred taxation | (50,454) | N/A |
| | <u>32,292,505</u> | <u>N/A</u> |
| Current liabilities | | |
| Trade payables | 23,881,402 | N/A |
| Other payables | 9,986,152 | N/A |
| Borrowings | 64,420,946 | N/A |
| Tax payables | 9,277,134 | N/A |
| | <u>107,565,634</u> | <u>N/A</u> |
| Total liabilities | <u>139,858,139</u> | <u>N/A</u> |
| Total equity and liabilities | <u>227,242,116</u> | <u>N/A</u> |
| Net assets per share attributable to ordinary equity holders of the Company (RM) (Note 3) | 0.60 | N/A |

Notes

- (1) The Unaudited Condensed Consolidated Balance Sheets should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants' Report for financial period ended 31 March 2010 as disclosed in the Prospectus of the Company dated 28 September 2010 and the accompanying notes attached to this interim financial statements.
- (2) This is the first year interim financial report on the consolidated financial position of the Company and its subsidiaries announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. As such, there are no comparative figures for the preceding year's corresponding period.
- (3) Based on the issued share capital of 145,000,000 shares after completion of the Initial Public Offering (as detailed in Note B8)

CYPARK RESOURCES BERHAD
(Company No: 642994-II)

Unaudited Condensed Consolidated Statements of Changes in Equity
As at 31 October 2010

| Group | ← Attributable to equity holders of the Company → | | | | | Distributable | Total |
|---|---|-------------------|--------------------------|---------------------------|-----------------------------|-------------------|-------------------|
| | ← Non distributable → | | Foreign exchange reserve | Foreign statutory reserve | Reverse acquisition deficit | | |
| | Share capital | Share premium | RM | RM | RM | RM | RM |
| As at 1 November 2009 | 40,000,002 | - | (269,953) | 87,700 | (36,700,000) | 33,610,657 | 36,728,406 |
| Bonus Issue of 34,999,996 new ordinary shares of RM0.50 each | 17,499,998 | - | - | - | - | (17,499,998) | - |
| Public issue of 30,000,000 new ordinary shares of RM0.50 each | 15,000,000 | 18,000,000 | - | - | - | - | 33,000,000 |
| Listing expenses | - | (2,795,481) | - | - | - | - | (2,795,481) |
| Profit for the year | - | - | - | - | - | 20,426,907 | 20,426,907 |
| Foreign currency translation | - | - | 26,844 | (2,699) | - | - | 24,145 |
| As at 31 October 2010 | <u>72,500,000</u> | <u>15,204,519</u> | <u>(243,109)</u> | <u>85,001</u> | <u>(36,700,000)</u> | <u>36,537,566</u> | <u>87,383,977</u> |

Notes

- (1) The Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants' Report for the financial period ended 31 March 2010 as disclosed in the Prospectus of the Company dated 28 September 2010 and the accompanying notes attached to this interim financial statements.
- (2) This is the first year interim financial report on the consolidated results of the Company and its subsidiaries announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. As such, there are no comparative figures for the preceding year's corresponding quarter and period.

CYPARK RESOURCES BERHAD
(Company No: 642994-II)

Unaudited Condensed Consolidated Cash Flow Statements
For the Fourth Quarter ended 31 October 2010

| | 12 months ended | |
|---|-----------------------|-----------------------|
| | 31 October 2010 RM | 31 October 2009 RM |
| Cash flows from operating activities | | |
| Profit before taxation | 29,493,203 | N/A |
| Adjustment for: | | |
| Depreciation of plant and equipment | 422,509 | N/A |
| Gain on disposal of plant and equipment | (87,547) | N/A |
| Provision for doubtful debts | 296,251 | N/A |
| Impairment of subordinated bond | 2,520,000 | N/A |
| Unrealised foreign exchange loss | 153,690 | N/A |
| Interest expense | 9,827,373 | N/A |
| Interest income | (826,710) | N/A |
| Operating profit before working capital changes | <u>41,798,769</u> | N/A |
| Changes in working capital: | | |
| Receivables | (14,643,221) | N/A |
| Payables | (15,013,280) | N/A |
| Cash used in operation | <u>12,142,268</u> | N/A |
| Interest income received | 826,710 | N/A |
| Interest paid | (9,827,373) | N/A |
| Taxes paid | (9,092,047) | N/A |
| Net cash used in operating activities | <u>(5,950,442)</u> | N/A |
| Cash flows from investing activities | | |
| Acquisition of plant and equipment (Note a) | (1,144,147) | N/A |
| Proceeds from disposal of plant and equipment | 80,800 | N/A |
| Net cash used in investing activities | <u>(1,063,347)</u> | N/A |
| Cash flows from financing activities | | |
| Proceeds from issuance of shares | 33,000,000 | N/A |
| Listing expense | (2,795,481) | N/A |
| Repayment of CLO and Term Loan | (40,700,000) | N/A |
| Drawdown of Term Loan | 40,000,000 | N/A |
| Proceeds from short-term borrowings | 11,965,466 | N/A |
| Repayment of hire purchase obligations | (220,661) | N/A |
| Net cash generated from financing activities | <u>41,249,324</u> | N/A |
| Net increase in cash and cash equivalents | 34,235,535 | N/A |
| Cash and cash equivalents at beginning of financial period | (17,080,340) | N/A |
| Effects of foreign exchange rate changes | 227,795 | N/A |
| Cash and cash equivalents at end of financial period | <u>17,382,990</u> | N/A |
| Cash and cash equivalents at the end of the financial period comprise the following: | | |
| Deposit with licensed bank | 59,014,363 | N/A |
| Cash and bank balances | 2,119,213 | N/A |
| Bank overdrafts | (43,750,586) | N/A |
| | <u>17,382,990</u> | N/A |
| Note a: | | |
| Plant and equipment were acquired by the way of: | | |
| Cash payments | 22,341 | N/A |
| Loan and hire purchase | 1,121,806 | N/A |
| | <u>1,144,147</u> | N/A |

Notes

- (1) The Unaudited Condensed Consolidated Cash Flow Statements should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants' Report for the financial period ended 31 March 2010 as disclosed in the Prospectus of the Company dated 28 September 2010 and the accompanying notes attached to this interim financial statements.
- (2) This is the first year interim financial report on the consolidated Cashflows of the Company and its subsidiaries announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. As such, there are no comparative figures for the preceding year's corresponding period.

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NOTES TO THE INTERIM FINANCIAL REPORT

PART A : EXPLANATORY NOTES IN COMPLIANCE WITH FINANCIAL REPORTING STANDARDS ("FRS") 134, INTERIM FINANCIAL REPORTING

A1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with FRS 134: Interim Financial Reporting and Appendix 9B Part A of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). This is the first year interim financial report on the consolidated results for the fourth quarter and the financial year ended 31 October 2010 announced by the Company in compliance with the Listing Requirements and as such, there are no comparative figures for the preceding year's corresponding period.

The interim financial report should be read in conjunction with the proforma combined financial statements for the financial period ended 31 March 2010 as disclosed in the prospectus of the Company dated 28 September 2010 and the accompanying explanatory notes attached to this interim financial report.

The interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of Cypark Resources Berhad Group. The interim consolidated financial report and notes thereon do not include all the information required for a full set of financial statements prepared in accordance with FRSS.

A2. Change in accounting policies

The significant accounting policies adopted by the Group are consistent with those of the audited financial statements for the financial period/ year ended 31 October 2009 of the Group, except for the adoption of the following :

On 1 November 2009, the Group adopted the following new and amended Financial Reporting Standards ("FRS") mandatory for financial periods beginning on or after 1 July 2009.

FRS 8 Operating Segments

Adoption of the above standard did not have any effect on the financial performance or position of the Group.

A2. Change in accounting policies (cont'd)

Standards and Interpretations issued and not yet effective

The following revised FRSs, new Issues Committee ("IC") Interpretations and Amendments to FRSs have been issued by the MASB and are effective for annual periods commencing on or after 1 January 2010. They have yet to be adopted as they are not yet effective for the current quarter ended 31 October 2010 and current financial year ending 31 October 2010:

| | Effective for annual periods beginning on or after |
|--|---|
| FRS 7 Financial Instruments: Disclosures | 1 January 2010 |
| FRS 101 Presentation of Financial Statements (Revised) | 1 January 2010 |
| FRS 123 Borrowing Costs | 1 January 2010 |
| FRS 139 Financial Instruments: Recognition and Measurement | 1 January 2010 |
| Amendments to FRS 1 First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate | 1 January 2010 |
| Amendments to FRS 2 Share-based Payment - Vesting Conditions and Cancellations | 1 January 2010 |
| Amendments to FRS 132 Financial Instruments: Presentation | 1 January 2010 |
| Amendments to FRS 139 Financial Instruments: Recognition and Measurement, FRS 7 Financial Instruments: Disclosures and IC Interpretation 9 Reassessment of Embedded Derivatives | 1 January 2010 |
| Improvements to FRS issued in 2009 [2.2.4]-[2.2.5] | 1 January 2010 |
| IC Interpretation 9 Reassessment of Embedded Derivatives | 1 January 2010 |
| IC Interpretation 10 Interim Financial Reporting and Impairment | 1 January 2010 |
| IC Interpretation 11 FRS 2 - Group and Treasury Share Transactions | 1 January 2010 |
| IC Interpretation 13 Customer Loyalty Programmes | 1 January 2010 |
| IC Interpretation 14 FRS119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction | 1 January 2010 |
| FRS 1 First-time Adoption of Financial Reporting Standards | 1 July 2010 |
| FRS 3 Business Combinations (revised) | 1 July 2010 |
| Amendments to FRS 2 Share-based Payment | 1 July 2010 |
| Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued Operations | 1 July 2010 |
| Amendments to FRS 127 Consolidated and Separate Financial Statements | 1 July 2010 |
| Amendments to FRS 138 Intangible Assets | 1 July 2010 |
| Amendments to IC Interpretation 9 Reassessment of Embedded Derivatives | 1 July 2010 |
| IC Interpretation 12 Service Concession Arrangements | 1 July 2010 |
| IC Interpretation 15 Agreements for the Construction of Real Estate | 1 July 2010 |
| IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation | 1 July 2010 |
| IC Interpretation 17 Distributions of Non-cash Assets to Owners | 1 July 2010 |
| Amendments to FRS 132: Classification of Rights Issues | 1 March 2010 |
| Amendments to FRS 1: Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters | 1 January 2011 |
| Amendments to FRS 7: Improving Disclosures about Financial Instruments | 1 January 2011 |

A2. Change in accounting policies (cont'd)

Standards and Interpretations issued and not yet effective (cont'd)

Except for the changes in accounting policies arising from the adoption of the revised FRS 3 and the amendments to FRS 127, as well as the new disclosures required under the Amendments to FRS 7, the directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of the revised FRS 3 and the amendments to FRS 127 are described below.

Revised FRS 3 Business Combination and Amendments to FRS 127 Consolidated and Separate Financial Statements

The revised standards are effective for annual periods beginning on or after 1 July 2010. The revised FRS 3 introduces a number of changes in the accounting for business combinations occurring after 1 July 2010. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. The Amendments to FRS 127 require that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will they give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Other consequential amendments have been made to FRS 107 *Statement of Cash Flows*, FRS 112 *Income Taxes*, FRS 121 *The Effects of Changes in Foreign Exchange Rates*, FRS 128 *Investments in Associates* and FRS 131 *Interests in Joint Ventures*. The changes from revised FRS 3 and Amendments to FRS 127 will affect future acquisitions or loss of control and transactions with minority interests. The standards may be early adopted. However, the Group does not intend to early adopt.

A3. Auditors' report on preceding annual financial statements

There were no audit qualifications to the audited financial statements of the Company and its subsidiaries for the financial year/ period ended 31 October 2009 and 31 March 2010 respectively.

A4. Seasonal or cyclical factors

The business operations of the Group were not significantly affected by any seasonal or cyclical factor.

A5. Items of unusual nature

There were no significant unusual items affecting the assets, liabilities, equity, net income or cash flow during the current financial quarter.

A6. Changes in estimates

There were no changes in estimates of amounts reported in prior financial years that have had a material effect in the current financial quarter.

A7. Changes in debt and equity securities

Same as disclosed under Note B8 below, there were no issuance, cancellation, repurchase, resale, and repayment of debt and equity securities for the current financial quarter.

A8. Dividend paid

There was no dividend paid in the current financial period.

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A9 The Group is organised into the following business segments:-

- 1) Environmental
- 2) Landscaping
- 3) Maintenance

| | Environmental RM | Landscaping RM | Maintenance RM | Elimination RM | Total RM |
|---|---------------------|-------------------|-------------------|----------------------|--------------------|
| FYE 31.10.2010 (Unaudited) | | | | | |
| Revenue | | | | | |
| Sale to external customers | 167,011,294 | 8,974,850 | 924,600 | - | 176,910,744 |
| Inter-segment sales | 100,091,685 | - | 936,000 | (101,027,685) | - |
| Total revenue | <u>267,102,979</u> | <u>8,974,850</u> | <u>1,860,600</u> | <u>(101,027,685)</u> | <u>176,910,744</u> |
| Results | | | | | |
| Segment results | | | | | 39,320,576 |
| Finance cost | | | | | <u>(9,827,373)</u> |
| Profit before taxation | | | | | 29,493,203 |
| Taxation | | | | | <u>(9,066,296)</u> |
| Profit for the period attributable to equity holders of the company | | | | | <u>20,426,907</u> |

A10 Valuation of property, plant and equipment

There was no valuation of property, plant and equipment in the current financial quarter.

A11 Capital commitments

There were no capital commitment for property, plant and equipment as at 31 October 2010.

A12 Material events subsequent to the end of period reported

There were no material events subsequent to the end of the current financial quarter up to 20 December 2010, being the latest practicable date ("LPD") which is not earlier than 7 days from the date of issuance of this quarterly report, that have not been reflected in this quarterly report.

A13 Changes in composition of the group

There were no material events subsequent to the end of the current financial quarter that have not been reflected in this quarterly report as at the date of this report. The Group was listed on the Main Market of Bursa Securities on 15 October 2010.

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A14. Contingent liabilities and contingent assets

As at this reporting date, the group does not have any contingent liabilities, other than as disclosed below:

| | 31 October 2010 |
|--|------------------------|
| | RM |
| Secured: | |
| - Performance bond guarantees favouring Government / Statutory bodies and companies acceptable to the banks for various projects | 40,703,908 |
| - Tender bond given to third parties which is partially secured by Cypark's fixed deposit | 153,600 |
| - Corporate guarantees given to banks for credit facilities granted to subsidiaries | 500,000 |
| - Letter of credits given to suppliers for purchase of materials | 345,169 |
| Unsecured: | |
| - Bank guarantees extended to third parties in respect various projects of the Group | 300,000 |
| - Litigations claims | 3,087,614 |
| | <u>45,090,291</u> |

The secured performance bonds, corporate guarantees and letter of credits are secured by way of charge over certain fixed deposits of the Group and personal guarantee by the shareholders of the Company.

The litigation claims relate to the dispute in the final amount claimed by the sub-contractors. The Group with the advice of their solicitors, is confident of defending these cases. Accordingly, the amount claimed have not been provided for in the financial statements.

A15. Significant related party transactions

The Group had the following transactions during the current financial quarter with related parties in which certain directors of the Company have substantial financial interest:-

| Related Party | Interested Promoter / Director / Substantial Shareholder / | Nature of Transactions | Transaction Value based on billings For Current Quarter | Transaction Value based on billings Year To Date | Balance Outstanding as at 31 October 2010 |
|------------------------|---|---|--|---|--|
| | | | RM | RM | RM |
| CyEn Resources Sdn Bhd | Siow Kwang Khee, Daud bin Ahmad, Tan Sri Razali bin Ismail | Sub-contractor charges and consulting fees paid for environmental / landscape works | 9,406,722 | 21,546,252* | 9,055,250 |

* The total related party transactions with CyEn Resources Sdn Bhd in financial year ended 31 October 2009 was RM22.2 million

NOTES TO THE INTERIM FINANCIAL REPORT

PART B - ADDITIONAL INFORMATION AS REQUIRED BY LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (PART A OF APPENDIX 9B)

B1. Review of performance of the Group

The Group achieved a total revenue of RM 36.3 million during the current quarter, which has decreased by about 18% or RM8.1 million as compared to the previous quarter. The decrease in revenue is mainly due to slower progress of works in some sites in fourth quarter after the completion of the Phase 1 work. A short transition period is required for design planning, site survey and site possession from current operators before commencement of Phase 2 works. The decrease is also due to the delay in the construction of a service road for one of the landfill sites pending licence approval from authority.

The Group's gross profit margin improved to 36.8% for the current quarter. This represents an increase of 10.8% as compared to the Gross Margin of 26% recorded for third quarter. The gross margin has improved due to good margin generated from design fees income and good material rates negotiated in current quarter.

Higher finance cost recorded for current quarter due to the additional bank facility fees incurred for the issuance of a performance bond of RM24.2 million for the National Landfill project.

Profit before taxation for current quarter is RM 8.4 million as compared to the RM6.8 million achieved in last quarter. (Previous quarter profit before tax was RM8.5 million but was offset by an one-off provision of RM 1.7 million made by the directors on prudent basis for the anticipated diminution in the value of investment in subordinated bonds). The profit margin before taxation for current quarter is about 23%, improved by 8%, as compared to 15% recorded in previous quarter.

The Profit after tax of the Group for current quarter is 14%, about 3% higher than previous quarter's performance.

B2. Material changes in the quarterly results compared to the results of the preceding quarter

No comparative figures are presented for the immediate preceding quarter as this is the first year consolidated results of the Group being announced.

B3. Current year prospects

There are strong indications that economic conditions in Malaysia are improving from the negative effects of the global financial crisis that began in mid-2007. The near term outlook, particularly for 2010, is likely to be more positive than 2009. In 2009, Malaysia's real GDP contracted by 1.7%. However, the real GDP growth forecast for 2010 is 4.5% to 5.5% (Source: Bank Negara Malaysia). The Malaysian economy registered strong real GDP growth of 10.1% in the first quarter of 2010, led by continued expansion in domestic demand and stronger external demand (Source: Bank Negara Malaysia). Real GDP growth for second quarter and third quarter were at 8.9% and 5.3% respectively.

Specific to solid waste management, the government has emphasised the urgency for waste minimisation and better management through the National Strategic Plan for Waste Management and related regulations/ initiatives. While government support is strong and encouraging, market growth of solid waste management services is also expected to be driven by the increasing waste output of Malaysia's population. Urbanisation and the increasing development of urban areas are main causes to increasing consumption and solid waste generation. By 2020 daily solid waste output is expected to bloat to 30,000 tonnes compared to a current level of approximately 20,550 tonnes.

The solid waste management market is expected to grow robustly moving forward. The solid waste management market was valued at RM 3.82 billion in 2009, and is expected to grow at a CAGR of 5.3% from 2009 to 2014. The demand-push for solid waste management solutions and services is likely to come most significantly from the public sector efforts.

Based on the industry outlook listed above and barring any unforeseen circumstances, the Board of Directors is of the opinion that the Group's revenue will continue to increase and the Group will remain profitable for the next quarter.

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B4. Profit forecast and profit estimate

The Group did not issue any profit forecast or profit estimate previously in any public document.

B5. Income tax expense

| | RM |
|-------------------|------------------|
| Malaysia tax | |
| - Current quarter | 2,994,022 |
| Deferred tax | - |
| | <u>2,994,022</u> |

B6. Profit on sale of unquoted investments and / or properties

There were no Profit on Sale of Unquoted Investments and / or Properties during the current financial quarter.

B7. Purchase or disposal of quoted securities

There was no purchase or disposal of quoted securities during the current financial quarter.

B8. Status of corporate proposals

In conjunction with, and as an integral part of the listing and quotation for the entire issued and paid-up share capital of our Company on the Main Market of Bursa Securities on 15 October 2010, the Company implemented the listing scheme set out as follows :-

- Bonus Issue;
- Shares Transfer;
- IPO;
- Offer for Sale;
- Listing of and Quotation of our Shares; and
- ESOS.

The above are inter-conditional and are viewed as one exercise undertaken to facilitate the Listing of the Company.

a. Bonus issue

Our Company undertook a bonus issue of 34,999,996 new ordinary shares of RM 0.50 each to our existing shareholders on the basis of approximately seven (7) bonus shares for every sixteen (16) existing Shares held in our Company. Bonus Issue was effected through the capitalisation of RM 17,500,000 out of our Company's audited retained earnings as at 31 March 2010.

The Bonus Issue was completed on 23 August 2010 and resulted in an increase in the issued and paid-up share capital of our Company from RM 40,000,002 to RM 57,500,000.

All the new Shares issued pursuant to the Bonus Issue ranked pari passu in all respect with the existing Shares of our Company except that they will not be entitled to any dividends, rights, allotments declared, made or paid prior to the allotment of the said new Shares.

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B8. Status of corporate proposals (cont'd)

b. Shares transfer

Subsequently on 20 September 2010, two shareholders of our Company, namely Siow Kwang Khee and Tan Sri Razali bin Ismail have transferred a portion of their Shares to Daud bin Ahmad and Tan Swee Loon for an agreed upon consideration.

After the bonus issue and shares transfer, the shareholding structure of our Company are as follows:

| Name | After bonus issue and shares transfer | % |
|---------------------------|--|----------|
| Tan Sri Razali bin Ismail | 61,962,000 | 53.9 |
| Daud bin Ahmad | 16,813,000 | 14.6 |
| Siow Kwang Khee | 23,290,000 | 20.3 |
| Tan Swee Loon | 12,935,000 | 11.2 |
| | 115,000,000 | 100 |

c. Initial Public Offer ("IPO")

The Company issued its prospectus for its IPO on 28 September 2010 and undertook the following : -

- (i) **Public issue**
A Public Issue of 30,000,000 new ordinary shares of RM0.50 each at an issue price of RM1.10 per share.
- (ii) **Offer for sale**
An Offer For Sale of 28,000,000 ordinary shares of RM0.50 each at an offer price of RM1.10 per share.

d. Listing

The Company's entire enlarged issued and paid-up share capital after the public issue and offer for sale, comprising 145 million ordinary shares of RM0.50 each were listed on the Main Market of Bursa Securities on 15 October 2010.

e. ESOS

Bursa Securities had vide its letter dated 20 September 2010 granted the approval-in-principle for the listing of and quotation for new Shares of up to a maximum of fifteen percent (15%) of our issued and paid-up share capital to be issued at any point in time within the duration of the ESOS pursuant to the exercise of options granted to eligible Directors and employees of our Group.

The ESOS shall be for a duration of five (5) years and may be extended for up to another five (5) years at the discretion of the Board of Directors upon the recommendation of the ESOS committee.

As at the date of this report, a total of 3,650,000 ESOS options under the ESOS Scheme was offered to eligible directors and employees at the Initial Public Offer (IPO) price of RM1.10 each. The offer for ESOS options are fully accepted by all eligible parties.

Details of the ESOS options granted to eligible directors are disclosed as below : -

| | Title | Options Offered (RM) | Options Accepted (RM) |
|-----------------|--------------|-----------------------------|------------------------------|
| Daud Bin Ahmad | Director | 1,400,000.00 | 1,400,000.00 |
| Siow Kwang Khee | Director | 1,000,000.00 | 1,000,000.00 |

B8. Status of corporate proposals (cont'd)**f. Utilisation of proceeds**

Arising from the Public Issue, the Company raised gross proceeds of RM33.0 million. The status of the utilisation of the proceeds as at 20 December 2010 was as follows :-

| | Estimated Timeframe for utilisation upon Listing | Proposed Utilisation RM'000 | Actual Utilisation RM'000 | Balance / Deviation | | Notes |
|---|---|-----------------------------------|---------------------------------|---------------------|------|-------|
| | | | | RM'000 | % | |
| (i) Repayment of overdraft (contract) facility obtained for the purpose of the National Landfill Restoration project. | Within 12 months | 10,000 | 10,000 | - | 0% | |
| (ii) Working capital* | | | | | | |
| - Expansion of business | Within 18 months | 2,000 | - | 2,000 | 100% | |
| - Existing and future operations | Within 12 months | 18,618 | 15,000 | 3,618 | 19% | |
| (iii) Estimated listing expenses* | Within 2 months | 2,382 | 2,795 | (413) | -17% | (1) |
| Total proceeds | | 33,000 | 27,795 | 5,205 | | |

- (1) The gross proceeds arising from the Offer for Sale, net of relevant fee, were accrued entirely to the Offerors and no part of the proceeds has been received by our Company.
- (2) IPO proceeds will be utilized within the estimated timeframe. The group does not expect any material deviation as at the date of this report.
- (3) The total listing expenses was RM2,795,000. In accordance with the provisions of FRSIC Consensus 13, the amount was written off against shares premium account in current period. The deficit of RM413,000 was funded out of the working capital portion allocated for working capital as indicated in section 1.7 of the prospectus.

CYPARK RESOURCES BERHAD (Company No: 642994-H)

(Incorporated in Malaysia)

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B9. Group's borrowings and debts securities

The Group's borrowings and debts securities as at 31 October 2010 are as follows:-

| | RM |
|---|-------------------|
| Short term borrowings | |
| Secured: | |
| Bank overdrafts | 30,698,874 |
| Bank overdrafts against progress claims | 13,051,712 |
| Trust receipts | 11,965,466 |
| Hire purchase | 304,894 |
| Term Loan | 8,400,000 |
| | <u>64,420,946</u> |
| Long term borrowings | |
| Secured: | |
| Term Loan | 30,900,000 |
| Hire purchase | 1,442,959 |
| | <u>32,342,959</u> |
| Total borrowings | |
| Secured: | |
| Bank overdrafts | 30,698,874 |
| Bank overdrafts against progress claims | 13,051,712 |
| Trust receipts | 11,965,466 |
| Hire purchase | 1,747,853 |
| Term Loan | 39,300,000 |
| | <u>96,763,905</u> |

B10. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at the date of this quarterly report.

B11. Material Litigation

There is no pending material litigation as at the date of issuance of this quarterly report except for the following:

**a. Chung Nyap Yoon Sdn Bhd ("Plaintiff") v CSB
(Shah Alam High Court Suit No: MT4-22-920-2001)**

The Plaintiff is claiming against Cypark Sdn Bhd for the sum of RM 1,894,720.49 as balance of payment for agreed works done pursuant to a letter of award where the plaintiff was appointed as a sub-contractor of CSB in a development project. CSB is defending this suit against the Plaintiff. On 9 July 2010, solicitors of CSB had submitted to court a preliminary report prepared by an independent quantity surveyor. The Plaintiff's solicitor has reserved the Plaintiff's right to put in an expert report and the solicitors of CSB have also reserved CSB's right to put in a more detailed expert report. The matter has been fixed for full trial from 18 April 2011 to 20 April 2011 and both parties have been directed by the court to file their witness statements respectively by 1 April 2011.

**b. YNK Construction Sdn Bhd ("Plaintiff") v CSB
(Kuala Lumpur High Court Suit No: S7-22-1859-2004)**

The Plaintiff is claiming against Cypark Sdn Bhd for the sum of RM 1,192,893.50 as balance of payment for agreed works done pursuant to a sub-contract arrangement where the Plaintiff was appointed as a sub-contractor of CSB in a development project. CSB is defending this suit against the Plaintiff and is further pursuing a counter claim against the Plaintiff for the sum of RM 72,828.27 or alternatively, the sum RM 156,742.27 due to a dispute on the methods valuing the payment for the agreed works done pursuant to the said sub-contract. The said sub-contract has provided for the method of construction to be "in-situ reinforced concrete drains". However the actual method of construction carried out was "precast concrete box culvert drain". The Plaintiff has contended that the method of valuation should be based on the terms of said sub-contract whereas CSB has contended that the method of valuation should be based on the actual construction.

The matter came up for case management on the 28 September 2010, whereby both parties have consented to the matter to be referred to Arbitration. On 29 October 2010, both parties' legal counsels informed the judge that Mr. Saw Soon Kooi has been appointed as the Arbitrator. A preliminary meeting was held by the Arbitrator on the 6 December 2010 at the Malaysian Institute of Arbitrators. The Arbitrator issued an Order for Direction No.2, for both parties to submit all required documents by 28 December 2010. The Arbitrator has also fixed for the Claimant's Counsel to send the Bundle of Documents, including the translation of documents to him by 15 January 2011.

The hearing dates are now fixed by the Arbitrator on the 21 April 2011, 22 April 2011, 9 May 2011 and 10 May 2011 at the Malaysian Institute of Arbitrators.

B11. Material Litigation (cont'd)

c. Kawalan Keselamatan Sentral (M) Sdn Bhd ("Plaintiff") v CSB

(Shah Alam Session Court Summons No: S1-52-2047-2009)

The Plaintiff is claiming against CSB for the sum of RM 210,731.20 for non-payments of their fees pursuant to purported security services rendered by the Plaintiff from August 2008 to May 2009. CSB is defending this suit against the Plaintiff and has filed their defence and counterclaim for this matter claiming, inter alia, the sum of RM 403,900.00 being losses suffered by CSB due to the negligence of the Plaintiff in rendering their security services. The matter came up for case management on the 28 September 2010, whereby both parties were requested by the court to file their bundle of documents. CSB has complied with the case management direction on submission of the bundle of documents. The matter was further fixed for case management on 27 October 2010 and was deferred to 21 December 2010 for the plaintiff to comply with the case management directions and set matter to trial. However, the plaintiff failed to comply with the court directions on both occasions. The court has now further fixed for the case management to be held on the 7 February 2011 to enable the plaintiff to comply with the case management directions and set matter to trial.

B12. Dividends

The directors proposed a first and final dividend of 7% less 25% income tax amounting to RM 3,806,250 in respect of the financial year ended 31 October 2010, payable upon shareholders' approval at the forthcoming Annual General Meeting.

B13. Earnings Per Share

Basic and diluted earnings per share are calculated based on the issued share capital of 145,000,000 ordinary shares of RM 0.50 each in issue.

B14. Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors on 27 December 2010.