

Unaudited Condensed Consolidated Statements of Comprehensive Income**For the Second Quarter ended 30 April 2013**

	<u>Individual Quarter</u>		<u>Cumulative Period</u>	
	<u>Current Year</u> <u>Quarter</u> <u>30/04/2013</u> <u>RM</u>	<u>Preceding Year</u> <u>Quarter</u> <u>30/04/2012</u> <u>RM</u>	<u>Current Year</u> <u>To Date</u> <u>30/04/2013</u> <u>RM</u>	<u>Preceding Year</u> <u>To Date</u> <u>30/04/2012</u> <u>RM</u>
Continuing operations				
Revenue	59,239,441	43,602,374	110,210,328	85,869,454
Cost of sales	(41,706,957)	(28,859,624)	(80,509,363)	(59,080,266)
Gross profit	17,532,484	14,742,750	29,700,965	26,789,188
Other income	686,291	561,816	1,373,394	1,130,568
Administrative expenses	(3,030,870)	(2,741,350)	(5,776,001)	(4,757,130)
Operating profit	15,187,905	12,563,216	25,298,358	23,162,626
Finance costs	(2,761,126)	(2,230,438)	(5,824,606)	(4,214,714)
Profit before tax from continuing operations	12,426,779	10,332,778	19,473,752	18,947,912
Income tax expense	(1,897,156)	(2,542,373)	(2,344,843)	(4,809,426)
Profit from continuing operations, net of tax	10,529,623	7,790,405	17,128,909	14,138,486
Discontinued operation				
Loss from discontinued operations, net of tax	-	-	-	(33,239)
Profit net of tax	10,529,623	7,790,405	17,128,909	14,105,247
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year, attributable to owners of the parent	10,529,623	7,790,405	17,128,909	14,105,247
Earnings per share attributable to owners of the parent (sen per share)				
- Basic	6.58	5.05	10.71	9.15
- Diluted	6.21	4.78	10.09	8.65
Earnings per share from continuing operations attributable to owners of the parent (sen per share)				
- Basic	6.58	5.05	10.71	9.17
- Diluted	6.21	4.78	10.09	8.68
Loss per share from discontinued operation attributable to owners of the parent (sen per share)				
- Basic	-	-	-	(0.02)
- Diluted	-	-	-	(0.02)

Note:

- The Unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 October 2012 and the accompanying notes attached to the unaudited interim financial statements.

Unaudited Condensed Consolidated Statements of Financial Position**As at 30 April 2013**

	Unaudited As At 30/04/2013	Audited As At 31/10/2012
	RM	RM
Assets		
Non-current assets		
Plant and equipment	97,995,439	96,896,523
Intangible assets	40,641,925	297,316
Deferred tax assets	670,350	522,836
Long term trade receivables	2,429,077	2,447,018
	<u>141,736,791</u>	<u>100,163,693</u>
Current assets		
Development costs	99,167	1,825,890
Trade and other receivables	265,581,318	336,543,365
Other current assets	650,633	465,345
Tax recoverable	2,655,026	1,788,572
Cash and bank balances	85,619,390	79,880,612
	<u>354,605,534</u>	<u>420,503,784</u>
Total assets	<u>496,342,325</u>	<u>520,667,477</u>
Equity and liabilities		
Current liabilities		
Loans and borrowings	98,467,130	144,071,490
Trade and other payables	137,356,743	121,798,772
Tax payables	3,372,953	4,201,847
	<u>239,196,826</u>	<u>270,072,109</u>
Net current assets	<u>115,408,708</u>	<u>150,431,675</u>
Non-current liabilities		
Loans and borrowings	76,016,842	85,366,325
Trade and other payables	10,583,996	12,273,102
Deferred tax liabilities	260,000	324,643
	<u>86,860,838</u>	<u>97,964,070</u>
Total liabilities	<u>326,057,664</u>	<u>368,036,179</u>
Net assets	<u>170,284,661</u>	<u>152,631,298</u>
Equity attributable to equity holders of the Company		
Share capital	80,003,750	79,966,250
Share premium	34,103,244	34,008,536
Reverse acquisition reserve	(36,700,000)	(36,700,000)
Share option reserve	2,498,504	2,106,258
Retained earnings	90,379,163	73,250,254
Total equity	<u>170,284,661</u>	<u>152,631,298</u>
Total equity and liabilities	<u>496,342,325</u>	<u>520,667,477</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	1.06	0.95

Note:

- The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 October 2012 and the accompanying notes attached to the unaudited interim financial statements.*
- Current period is based on the issued weighted average share capital of shares as detailed in note B15. For the preceding year, it was based on the issued share capital of 159,932,500.*

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Statements of Changes in Equity**For the Second Quarter ended 30 April 2013**

	← Non-distributable →				Reserve of disposal group classified as held for sale RM	Distributable	
	Share capital RM	Share premium RM	Share option reserve RM	Reverse acquisition reserve RM		Retained earnings RM	Equity, total RM
2013							
Group							
Opening balance at 1 November 2012	79,966,250	34,008,536	2,106,258	(36,700,000)	-	73,250,254	152,631,298
Total comprehensive income	-	-	-	-	-	17,128,909	17,128,909
Transactions with owners							
Exercise of employee share options	37,500	94,708	(36,508)	-	-	-	95,700
Grant of equity-settled share options to employees	-	-	428,754	-	-	-	428,754
Total transactions with owners	37,500	94,708	392,246	-	-	-	524,454
Closing balance at 30 April 2013	80,003,750	34,103,244	2,498,504	(36,700,000)	-	90,379,163	170,284,661
2012							
Group							
Opening balance at 1 November 2011	72,500,000	15,163,246	774,714	(36,700,000)	(47,858)	53,665,759	105,355,861
Total comprehensive income	-	-	-	-	(5,854)	14,105,247	14,099,393
Transactions with owners							
Issued of ordinary shares:							
- Private Placement	7,250,000	18,850,000	-	-	-	-	26,100,000
- ESOS	168,750	313,850	(72,350)	-	-	-	410,250
Share issuance expense	-	(418,330)	-	-	-	-	(418,330)
Disposal of a subsidiary	-	-	-	-	53,712	(53,712)	-
Grant of equity-settled share options to employees	-	-	738,631	-	-	-	738,631
Total transactions with owners	7,418,750	18,745,520	666,281	-	53,712	(53,712)	26,830,551
Closing balance at 30 April 2012	79,918,750	33,908,766	1,440,995	(36,700,000)	-	67,717,294	146,285,805

Note: The Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 October 2012 and the accompanying notes attached to the unaudited interim financial statements.

**Unaudited Condensed Consolidated Statements of Cash Flows
For the Second Quarter ended 30 April 2012**

	6 months ended	
	30/04/2013	30/04/2012
	RM	RM
Cash flows from operating activities		
Profit before tax from continuing operations	19,473,752	18,947,912
Loss before tax from discontinued operations	-	(33,239)
	<u>19,473,752</u>	<u>18,914,673</u>
Adjustments for:		
Depreciation of plant and equipment	2,322,930	646,987
Gain on disposal of a subsidiary	-	(40,772)
Other income	-	(16,439)
Grant of equity-settled share options to employees	428,754	738,631
Recognition of concession asset (intangible)	(40,344,609)	-
Interest expense	5,824,606	4,214,714
Interest income	(1,280,715)	(1,044,552)
Operating cash flows before working capital changes	<u>(13,575,282)</u>	<u>23,413,242</u>
Changes in working capital:		
Development costs	1,726,723	-
Receivables	70,588,305	(7,894,924)
Payables	13,609,677	14,138,926
Cash flows from operations	<u>72,349,423</u>	<u>29,657,244</u>
Interest paid	(5,359,023)	(3,903,176)
Taxes paid	(4,252,348)	(4,651,647)
Net cash flows from operating activities	<u>62,738,052</u>	<u>21,102,421</u>
Cash flows from investing activities		
Disposal of a subsidiary	-	430,541
Purchase of plant and equipment	(3,421,846)	(84,858,278)
Interest received	1,280,715	1,044,552
Net cash flows used in investing activities	<u>(2,141,131)</u>	<u>(83,383,185)</u>
Cash flows from financing activities		
Proceeds from issuance of ordinary shares net of transaction cost	95,700	26,091,918
Revolving credit, net	800,000	(3,200,000)
Short-term borrowings, net	(35,316,715)	(776,714)
Term loan, net	-	65,000,000
Finance lease obligations, net	(141,108)	(130,563)
Net cash flows from financing activities	<u>(34,562,123)</u>	<u>86,984,641</u>
Net increase in cash and cash equivalents	26,034,798	24,703,877
Cash and cash equivalents at beginning of financial period	<u>43,188,862</u>	<u>6,744,431</u>
Cash and cash equivalents at end of financial period	<u>69,223,660</u>	<u>31,448,308</u>
Cash and cash equivalents at the end of the financial period comprise the following:		
Short term deposits with licensed banks	71,349,130	65,381,438
Cash at banks and in hand	<u>14,270,260</u>	<u>28,247,234</u>
Cash and bank balances	85,619,390	93,628,672
Bank overdrafts	<u>(16,395,730)</u>	<u>(62,180,364)</u>
	<u>69,223,660</u>	<u>31,448,308</u>

Notes: The Unaudited Condensed Consolidated Statements of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 October 2012 and the accompanying notes attached to the unaudited interim financial statements.

NOTES TO THE INTERIM FINANCIAL REPORT**PART A: EXPLANATORY NOTES IN COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") 134, INTERIM FINANCIAL REPORTING****A1. Basis of Preparation**

The interim financial report is unaudited and has been prepared in accordance with *MFRS 134: Interim Financial Reporting*, issued by Malaysian Accounting Standards Board ("MASB") and paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board. For the period up to and including the year ended 31 October 2012, the Group prepared its financial statements in accordance with Financial Reporting Standards ("FRS").

These condensed consolidated interim financial statements are the Group's first MFRS condensed consolidated interim financial statements for part of the period covered by the Group's first MFRS annual financial statements for the year ending 31 October 2013 and in which MFRS 1 First Time Adoption of Malaysian Financial Reporting Standards ("MFRS 1") has been applied.

The MFRS are effective for the Group from 1 November 2012 and the date of transition to the MFRS framework for the purpose of the first MFRS compliant Condensed Report is 1 November 2011. The Group reviewed its accounting policies and considered transitional opportunities under MFRS on this date.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 October 2012. These explanatory notes attached to these interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 October 2012.

A2. Significant accounting policies**Adoption of MFRS 1**

The audited financial statements of the Group for the financial year ended 31 October 2012 were prepared in accordance with FRS. As the requirements under FRS and MFRS are similar, the accounting policies adopted in preparing this interim financial report with MFRS is consistent with those used in the Audited Financial Statements of the Group for the financial year ended 31 October 2012.

Standards and Interpretations issued and not yet effective

The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments) that have been issued by the Malaysian Accounting Standards Board (MASB) but not yet effective:-

MFRSs, Amendments to MFRSs and IC Interpretation		Effective for annual period beginning on or after
MFRS 3	Business Combinations (IFRS 3 Business Combinations issued by IASB in March 2004)	1 January 2013
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009 and October 2010)	1 January 2015
MFRS 10	Consolidated Financial Statements	1 January 2013
MFRS 11	Joint Arrangements	1 January 2013
MFRS 12	Disclosure of Interests in Other Entities	1 January 2013
MFRS 13	Fair Value Measurement	1 January 2013
MFRS 119	Employee Benefits	1 January 2013
MFRS 127	Consolidated and Separate Financial Statements (IAS 27 Consolidated and Separate Financial Statements revised by IASB in May 2011 and December 2003)	1 January 2013

A2. Significant accounting policies – cont'd**Standards and Interpretations issued and not yet effective – cont'd**

MFRSs, Amendments to MFRSs and IC Interpretation		Effective for annual period beginning on or after
MFRS 128	Investment in Associates and Joint Ventures	<i>1 January 2013</i>
Amendments to MFRSs	Annual Improvements 2009-2011 Cycle	<i>1 January 2013</i>
Amendments to MFRS 1	Government Loans	<i>1 January 2013</i>
Amendments to MFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities	<i>1 January 2013</i>
Amendments to MFRSs 10, 11 & 12	Arrangements and Disclosures of Interests in Other Entities: Transition Guidance	<i>1 January 2013</i>
Amendments to MFRS 101	Presentation of Items of Other Comprehensive Income	<i>1 July 2012</i>
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	<i>1 January 2014</i>
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	<i>1 January 2013</i>

The Group and the Company plan to adopt the above pronouncements when they become effective in the respective financial period. Unless otherwise stated, the initial application of the above pronouncements is not expected to have any significant impact on the Group and the Company.

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 ended 31 October 2012.

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

There were no issuance, cancellation, repurchase, resale, and repayment of debt and equity securities for the current financial quarter.

A8. Dividends paid

No interim ordinary dividend has been recommended for the quarter under review.

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

- 1) Environmental engineering
- 2) Landscaping and Infrastructure
- 3) Maintenance
- 4) Renewable energy

	Environmental Engineering RM	Landscaping & Infrastructure RM	Maintenance RM	Renewable Energy RM	Elimination RM	Total RM
6 months ended 30 April 2013						
Revenue						
Sale to external customers	86,737,603	13,100,000	481,800	9,890,925	-	110,210,328
Inter-segment sales	1,285,200	1,998,981			(3,284,181)	-
Total revenue	88,022,803	15,098,981	481,800	9,890,925	(3,284,181)	110,210,328
Results						
Profit for reportable segments	23,400,207	3,341,826	281,800	2,677,132	-	29,700,965
Other income						1,373,394
Administrative expenses						(5,776,001)
Operating profits						25,298,358
Finance costs						(5,824,606)
Profit before taxation from continuing operations						19,473,752
Income tax expense						(2,344,843)
Profit from continuing operations, net of tax						17,128,909
Loss from discontinued operations, net of tax						-
Profit net of tax						17,128,909
Other Comprehensive Income						-
Total comprehensive income						17,128,909
6 months ended 30 April 2012						
Revenue						
Sale to external customers	68,645,375	15,806,403	481,800	935,876	-	85,869,454
Inter-segment sales	8,947,241	-	456,000		(9,403,241)	-
Total revenue	77,592,616	15,806,403	937,800	935,876	(9,403,241)	85,869,454
Results						
Profit for reportable segments	22,032,206	3,793,043	438,240	525,699	-	26,789,188
Other income						1,130,568
Administrative expenses						(4,757,130)
Operating profit						23,162,626
Finance costs						(4,214,714)
Profit before taxation from continuing operations						18,947,912
Income tax expense						(4,809,426)
Profit from continuing operations, net of tax						14,138,486
Loss from discontinued operations, net of tax						(33,239)
Profit net of tax						14,105,247
Other Comprehensive Income						-
Total comprehensive income						14,105,247

A10. Valuation of property, plant and equipment

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

A11. Capital commitments

Except as disclosed below, there was no capital commitment for property, plant and equipment as at 30 April 2013.

	Capital Commitment as at 30 April 2013
Development of Integrated Renewable Energy Park comprises new 5MW Solar PV and 2MW Biogas Power Plant at Pajam	4,131,867

A12. Material events subsequent to the end of the period

There were no material events subsequent to the end of the current financial quarter up to 21 June 2013, 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 changes in the composition of the Group during the period under review, except as disclosed below:-

Group Reorganisation

- a) On 4 February 2013, the Company acquired 100% equity interest in Cypark Smart Resources Sdn. Bhd. (formerly known as Cypark International Sdn. Bhd.) from its wholly owned subsidiary, Cypark Sdn. Bhd. at a total consideration of RM2.
- b) On 4 February 2013, the Company disposed of 100% equity interest in Cypark Smart Technology (Holdings) Sdn. Bhd. to its wholly owned subsidiary, Cypark Smart Resources Sdn. Bhd. (formerly known as Cypark International Sdn. Bhd.) at a total consideration of RM2.

The acquisition and disposal above did not have any significant effects on the financial results and financial position of the Group.

A14. Contingent liabilities

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

	30 April 2013 RM
Secured:	
- Performance bond guarantees favouring Government/ Statutory bodies and companies acceptable to the banks for various projects	29,892,700
- Bank guarantees extended to Government in respect various projects of the Group	5,986,568
- Bank guarantees extended to third parties in respect various projects of the Group	600,000
- Letter of credits given to suppliers for purchase of materials	11,989,730
	48,468,998
Unsecured:	
- Corporate guarantees given to banks for credit facilities granted to subsidiaries	163,000,000
- Litigation claims	1,192,894
	164,192,894
TOTAL	212,661,892

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

The litigation claim relates to the disputes in the final amount claimed by a sub-contractor. The Group, with the advice of their solicitors, is confident of defending this case. Accordingly, the amount claimed has 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 / Key Management	Nature of Transactions	Transaction Value based on billings for current quarter RM	Transaction Value based on billings year to date RM	Balance Outstanding as at 30/04/2013 RM
CyEn Resources Sdn Bhd	Daud bin Ahmad, Tan Sri Razali bin Ismail and Tan Swee Loon	Sub-contractor charges and consulting fees paid for environmental / landscape works	1,663,000	1,670,500	1,518,006

B1. Analysis of performance**Current year Quarter ended 30 April 2013 Vs Preceding year Quarter ended 30 April 2012**

The Group's revenue for 2Q2013 increased by 35.9% to RM59.2 million from RM43.6 million recorded in 2Q2012. The profit before tax for 2Q2013 increased by 20.3% to RM12.4 million from RM10.3 million as recorded in 2Q2012. Profit before tax margin is however slightly lower from 23% in 2Q2012 to 21% in 2Q2013. The details of the performance of the segments are as follows:

Environmental Engineering

The revenue for 2Q2013 increased by 26.2% to RM47 million from RM37.2 million recorded in 2Q2012. This is mainly due to works generated from Cypark's new Waste to Energy Project. The operating profit, however, only increased slightly by 9% or RM1 million from RM11.3 million in 2Q2012 to RM12.3 million in 2Q2013. This was mainly due to higher preliminaries, consultancy, design, legal and due diligence costs incurred at the early stage of the new project and higher administration costs incurred.

Landscaping & Infrastructure

Revenue for the landscaping and infrastructure division improved to RM6.5 million in 2Q2013 from RM5.2 million in 2Q2012, or an increment of 24.7% compared to the preceding year quarter. The revenue in current quarter was mainly contributed by the work done for the construction of bridge in the project secured at Putrajaya. In addition, the design and preliminary works for the construction of the access road leading to the new waste to energy site is also starting to make contributions to the Group. The operating profit for 2Q2013 increased by RM0.7 million to RM1.5 million from RM0.8 million recorded in 2Q2012. The increase is due to new variation works undertaken for bridge project which yield a higher margin.

Maintenance

For the maintenance division, there is no change in terms of revenue achieved in 2Q2013 as compared with 2Q2012. Revenue is from general maintenance works performed for certain landfill sites.

Renewable Energy

The revenue for renewable energy division increased significantly to RM5.5 million in 2Q2013 from RM0.9 million in 2Q2012 as the export capacity of green electricity had been increased to 19MW since the beginning of year 2013.

Current financial period ended 30 April 2013 Vs Preceding financial period ended 30 April 2012

The Group's revenue for the current financial period increased by 28.4% to RM110.2 million from RM85.9 million recorded in the preceding financial period. The profit before tax for the current financial period increased marginally by 2.8% to RM19.5 million from RM18.9 million recorded in the preceding financial period due to higher costs incurred during the active expansion in renewable energy segment and the additional finance costs for renewable energy projects. The Group's profit after tax increased substantially by 21.4% to RM17.1 million from RM14.1 million recorded in preceding financial period due to tax savings arising from tax incentive granted to renewable energy and waste to energy projects. The details of the performance of the segments are as follows:

Environmental Engineering

The revenue for the current financial period increased by 26.4% to RM86.7 million from RM68.6 million recorded in the preceding financial period. This is mainly contributed by the works generated from Cypark's new Waste to Energy Project. The operating profit in the current financial period has increased slightly by 2.1% to RM20.1 million from RM19.7 million recorded in the preceding financial period. The lower margin is mainly due to higher preliminaries, consultancy, design, legal and due diligence cost incurred at the early stage of the new project and higher administration costs incurred.

B1. Analysis of performance (Cont'd)**Current financial period ended 30 April 2013 Vs Preceding financial period ended 30 April 2012 (Cont'd)****Landscaping & Infrastructure**

Revenue for the landscaping and infrastructure division decreased by RM2.7 million to RM13.1 million in the current financial period from RM15.8 million in the preceding financial period. The operating profit in the current financial period decreased by RM0.3 million to RM2.5 million from RM2.8 million recorded in the preceding financial period. Lower revenue was mainly due to longer construction process required for the construction of bridge work in current financial period as compared to the preceding financial period whilst the slight decrease in operating profit was attributable to higher technical fees and construction costs incurred for specialist works.

Maintenance

For the maintenance division, there is no change in terms of revenue achieved in the current financial period as compared with the preceding financial period. Revenue is from general maintenance works performed for certain landfill sites..

Renewable Energy

The revenue for renewable energy division increased significantly to RM9.9 million in current financial period from RM0.9 million in preceding financial period. This is mainly due to the Group had increased the export capacity of green electricity from 8MW to 19MW since the beginning of year 2013.

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

The revenue of the Group amounting to RM59.2 million for the current quarter represents an increase of 16.2% as compared to the immediate preceding quarter of RM51 million. The increase is mainly contributed by waste to energy project from environmental engineering division.

The gross profit for the current quarter has increased by 44.1% to RM17.5 million from RM12.2 million as recorded in the immediate preceding quarter mainly due to higher revenue generated in this current quarter, in addition to new variation works undertaken for bridge project and certain cost saving achieved for landfill projects which are approaching its completion.

The increase of 10.4% in administration expense from RM2.7 million in 1Q2013 to RM3 million in 2Q2013 was mainly attributed to the higher administration costs and staff costs due to continuing expansion of the Group.

The profit before tax of the Group increased by 76.3%, from RM7 million in the immediate preceding quarter to RM12.4 million in current quarter due to increase in renewable energy income.

B3. Prospects for the Current Financial Year

Market growth of solid waste management services is expected to be driven by the increasing waste output of Malaysia's population and the increasing awareness for environmental care and protection. Urbanisation and the increasing development of urban areas are the main cause of solid waste generation. By 2020, daily solid waste output is expected to increase to 30,000 tonnes compared to a current level of approximately 20,550 tonnes.

The solid waste management market is expected to grow robustly. It was valued at RM 3.82 billion in 2009, and is expected to grow at a compounded annual growth rate 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 initiatives. With its experience, expertise and proven track records, the group expects to benefit from government projects earmarked under the RMK10.

B3. Prospects for the Current Financial Year – cont'd

The Group has successfully ventured into renewable energy sector. The group's first Renewable Energy Park project in Pajam which involves the integration of two potential resources available at the landfill i.e. Solar and Landfill gas (Biogas) into a scalable renewable energy project capable of generating up to 10 megawatts of electricity has been included as one of the Entry Point Projects of the National Economic Transformation Program announced by the Prime Minister of Malaysia on 8 March 2011.

The major driver of renewable energy sector is the Renewable Energy Act (“RE Act”) which was passed in April 2011 and the establishment of Sustainable Energy Development Authority (“SEDA”) in September 2011. SEDA was set up to implement the target 5.5% renewable energy contribution to the national grid and manage renewable energy fund and Feed-In-Tariff formulated under the RE Act. SEDA has already received applications for renewable energy projects under the Feed-In-Tariff (FIT) mechanism and a significant number of projects have already been allocated, including to Cypark.

The renewable energy business is expected to contribute significantly and Cypark expects to secure additional quota once the new quota allocation is opened for application.

The Group believes that with the various initiatives being implemented by the Malaysian Government in promoting Green Energy, our plans for our future growth, augur well for Cypark Resources Berhad.

In addition, the integrated waste management plant which includes waste to energy facility through public private partnership scheme that was approved in January 2012 is expected to boost the earning of the Group and enhance the financial position of the Group with a stable revenue stream over the next 25 years. The concession agreement nearing finalisation is expected to be signed soon.

Based on the industry outlook and our plans as indicated above and barring any unforeseen circumstances, the Board of Directors is of the opinion that the business and performance of the Group is expected to remain positive and strong.

B4. Profit forecast and profit estimate

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

B5. Profit before tax

	Individual Quarter 3 months ended 30 April 2013	Cumulative Year to date 6 months ended 30 April 2013
Profit before tax is stated after crediting:-		
Interest income	601,783	1,280,715
Other income (including investment income)	84,508	92,679
Gain on disposal of quoted or unquoted investment or properties	N/A	N/A
Profit before tax is stated after charging:-		
Interest expenses	2,761,126	5,824,606
Depreciation	1,162,694	2,322,930
Unrealised foreign exchange loss	N/A	N/A
Provision for and write off of receivables	N/A	N/A
Provision for and write off of inventories	N/A	N/A
Impairment of assets	N/A	N/A
Loss on derivatives	N/A	N/A
Exceptional items	N/A	N/A

B6. Income tax expense

	Current year quarter 30 April 2013 RM	Current year to date 30 April 2013 RM
Malaysia tax	2,025,800	2,557,000
Deferred tax	(128,644)	(212,157)
	1,897,156	2,344,843

B7. Profit on sale of unquoted investments and/or properties

There was no profit on sale of unquoted investments and/or properties during the current financial quarter.

B8. Purchase or disposal of quoted securities

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

B9. Status of corporate proposals

Save as disclosed below, there was no corporate proposal announced but not completed as at the date of this report:-

a. 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.

A total of 3,650,000 ESOS options (2010 Options) under the ESOS Scheme was offered to eligible directors and employees at the Initial Public Offer (IPO) price of RM1.10 each on 14 October 2010 and were fully accepted by all eligible parties on 3 November 2010.

A total of 6,578,000 ESOS options (2011 Options) under the ESOS Scheme was offered to eligible directors and employees at RM1.34 each on 22 December 2011 and were fully accepted by all eligible parties on 5 January 2012.

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

	Title	Options Offered (RM)		Options Accepted (RM)
Daud Bin Ahmad	Director	2010 Option	1,400,000	1,400,000
		2011 Option	2,000,000	2,000,000

B9. Status of corporate proposals – cont'd**a. ESOS – cont'd**

The details of the options over ordinary shares of the Company are as follows:

	Number of options over ordinary shares of RM0.50 each					Exercisable as at 30.4.2013
	Outstanding as at 1.11.2012	Granted	Movement during the financial period Exercised Lapsed		Outstanding as at 30.4.2013	
2010 option	3,475,000	-	20,000	-	3,455,000	3,455,000
Weighted average exercise price (RM)	1.10	1.10	1.10	1.10	1.10	1.10
Weighted average remaining contractual life (months)	36		30			

The details of the share options outstanding at the end of the financial period are as follows:

	Weighted average exercise price (RM)	Exercise period
2010 option	1.10	14.10.2010 - 13.10.2015

The fair value of share options granted during the financial period was estimated using the Monte Carlo simulation model, taking into account the terms and conditions upon which the options were granted. The inputs to the option pricing model are as follows:-

Weighted average share price (RM)	1.04
Weighted average exercise price (RM)	1.10
Expected volatility (%)	40.00
Expected life (years)	5.00
Risk-free Interest rate (%)	2.30
Expected dividend yield (%)	<u>2.88</u>

B9. Status of corporate proposals – cont'd**b. ESOS – cont'd**

The details of the options over ordinary shares of the Company are as follows:

	Outstanding as at 1.11.2012	Number of options over ordinary shares of RM0.50 each Movement during the financial period			Outstanding as at 30.4.2013	Exercisable as at 30.4.2013
		Granted	Exercised	Lapsed		
2011 option	6,320,500	-	55,000	-	6,265,500	6,265,500
Weighted average exercise price (RM)	1.34	1.34	1.34	1.34	1.34	1.34
Weighted average remaining contractual life (months)	36					30

The details of the share options outstanding at the end of the financial period are as follows:

	Weighted average exercise price (RM)	Exercise period
2011 option	1.34	22.12.2011 - 13.10.2015

The fair value of share options granted during the financial period was estimated using the Monte Carlo simulation model, taking into account the terms and conditions upon which the options were granted. The inputs to the option pricing model are as follows:-

Fair value of share options at the following grant date (RM):

Weighted average share price (RM)	1.38
Weighted average exercise price (RM)	1.34
Expected volatility (%)	20.00
Expected life (years)	3.80
Risk-free Interest rate (%)	3.00
Expected dividend yield (%)	2.21

B10. Group's borrowings and debts securities

The Group's borrowings and debts securities as at 30 April 2013 are as follows:-

	RM
Short term borrowings	
Secured:-	
Bank overdrafts	16,395,730
Advance against progress claim	33,670,819
Trust receipts	15,004,006
Bill discounting	1,701,798
Finance lease	294,777
Term loan	10,000,000
Revolving credits	21,400,000
	<u>98,467,130</u>
Long term borrowings	
Secured:-	
Finance lease	1,116,842
Term loan	65,000,000
Revolving credits	9,900,000
	<u>76,016,842</u>
Total borrowings	
Secured:-	
Bank overdrafts	16,395,730
Advance against progress claim	33,670,819
Trust receipts	15,004,006
Bill discounting	1,701,798
Finance lease	1,411,619
Term loan	75,000,000
Revolving credits	31,300,000
	<u>174,483,972</u>

B11. Off Balance Sheet Financial Instruments

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

B12. Material Litigation

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

a. 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 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. The matter has been referred to Arbitration pursuant to Section 24A of the Courts of Judicature 1964.

A preliminary meeting was held by the Arbitrator on 6 December 2010 at the Malaysian Institute of Arbitrators and subsequently further hearing dates for continued trials on 21 and 22 April 2011, 26 and 27 September 2011 and, 11 and 12 October 2011 with the Plaintiff's witnesses testifying during the trials and closing its case.

The Arbitrator has fixed the following dates for Arbitration hearing with the Defendant's witnesses testifying on the following dates fixed for trial:

4th January 2012
5th January 2012
8th February 2012
9th February 2012
21st March 2012
22nd March 2012

As the matter is referred to Arbitration pursuant to Section 24A of the Court of Judicature Act 1964, the judge had requested parties to consider withdrawing the suit in the Court and the parties be bound by the Arbitrators award. On 2 December 2011, parties agreed to the withdrawal of the High Court suit, subject to the following terms and conditions:

- (1) Arbitration proceedings to conclude and the award and the decision by the Arbitrator shall be binding on parties in accordance with Arbitration Act 2005 and;
- (2) The award made by the Arbitrator shall take into account all legal costs, interests and expenses incurred during the commencement of the High Court suit until the withdrawal of the suit in Court.

In defending the suit, the Defendant had engaged an independent registered quantity surveyor to form his professional opinion on the method of valuation and recommendation of final valuation for the construction of box culvert done by the Plaintiff. The Independent expert quantity surveyor shall testify for the Defendant during the nearing dates fixed by the Arbitrator.

B12. Material Litigation – cont'd**a. YNK Construction Sdn Bhd ("Plaintiff") v CSB (Kuala Lumpur High Court Suit No: S7-22-1859-2004) – cont'd**

Arbitration proceedings with hearing dates for continued trial remain as mentioned above except for 9 February 2012, 21 March 2012 and 22 March 2012, which were subsequently vacated by the Arbitrator and fixed for continued trial on 26 and 27 July 2012 at the Malaysian Institute of Arbitrators. The Defendant's expert witness had testified on 26 and 27 July 2012 and the Arbitrator had further fixed for continued hearing on 4 October 2012. However, the hearing was adjourned as the defendant's counsel had to attend a CIDB Conference and there was no objection on the part of the claimant. The hearing was held on 17 Dec 2012 and the next hearing was determined by the Arbitrator for continued trial on 18 June 2013. On 18.6.2013, the Defendant's expert witness was cross-examined and re-examined by the counsel. The Arbitrator adjourned the hearing by stating if there is a need for an additional hearing date, he will instruct accordingly. This has arisen due to the Defendant having introduced an additional document as evidence and testimony.

b. 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 its 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 was fixed for trial on 7, 8, and 9 June 2011 and 6 July 2011. Written submissions by both Plaintiff and Defendant's counsels were made to court on 18 August 2011 and the court has fixed 24 August 2011 for the decision to be heard. However on 24 August 2011, the judge was not ready with the decision and had fixed 7 October 2011 for the decision to parties.

On 7 October 2011, the Court allowed the Plaintiff's claim and dismissed CSB's counterclaim with costs. Subsequently, on 17 October 2011, CSB filed a Notice of Appeal to the High Court. The hearing was held on 20 February 2013, which decision conquered that of the Session's Court Judge.

Pending the details of the grounds of the decision made by the High Court Judge, CSB will file an application of appeal to the Court of Appeal as CSB's claim in the Sessions Court was wrongly dismissed based on technicalities on pleading, which was also flawed, as the Sessions Court Judge and High Court Judge overlooked the material facts supporting CSB's claim.

B13. Realised and unrealised profits or losses of the Group

	Current Financial Period As at 30 April 2013 RM	Preceding Financial Year As at 31 October 2012 RM
Total retained earnings of the Group and its subsidiaries		
Realised	90,992,465	74,084,006
Unrealised	410,350	189,900
	<u>91,402,815</u>	<u>74,273,906</u>
Add: Consolidation adjustments	(1,023,652)	(1,023,652)
Retained earnings as per financial statements	<u>90,379,163</u>	<u>73,250,254</u>

B14. Dividends

No interim ordinary dividend has been recommended for the quarter under review.

B15. Earnings per share

The following reflect the profit and share data used in the computation of basic and diluted earnings per share for the quarter ended 30 April 2013:

	Quarter ended		Year to date ended	
	30 April 2013	30 April 2012	30 April 2013	30 April 2012
	RM	RM	RM	RM
Profit net of tax attributable to owners of the parent used in the computation of the basic and diluted earnings per share	10,529,623	7,790,405	17,128,909	14,105,247
Add back: Loss from discontinued operation, net of tax, attributable to owners of the parent		-	-	33,239
Profit net of tax from continuing operations attributable to owners of the parent used in the computation of basic and diluted earnings per share	10,529,623	7,790,405	17,128,909	14,138,486
Weighted average number of ordinary shares for basic earnings per shares computation	159,970,622	154,143,511	159,970,622	154,143,511
Effects of dilution - share options	9,720,500	8,834,529	9,720,500	8,834,529
Weighted average number of ordinary shares for diluted earnings per share computation	169,691,122	162,978,040	169,691,122	162,978,040