CYPARK RESOURCES BERHAD (642994-H)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JANUARY 2016

Unaudited Condensed Consolidated Statements of Comprehensive Income
For the First Quarter ended 31 January 2016

	Individual Quarter		Cumulative Period	
	Current Year Quarter 31/01/2016 RM	Preceding Year Quarter 31/01/2015 RM	Current Year To Date 31/01/2016 RM	Preceding Year To Date 31/01/2015 RM
Revenue	68,791,216	59,922,266	68,791,216	59,922,266
Cost of sales	(52,938,552)	(45,871,431)	(52,938,552)	(45,871,431)
Gross profit	15,852,664	14,050,835	15,852,664	14,050,835
Other income	1,753,561	466,682	1,753,561	466,682
Administrative expenses	(2,649,800)	(1,163,312)	(2,649,800)	(1,163,312)
Operating profit	14,956,425	13,354,205	14,956,425	13,354,205
Finance costs	(3,006,088)	(3,644,778)	(3,006,088)	(3,644,778)
Profit before tax	11,950,337	9,709,427	11,950,337	9,709,427
Income tax expense	(1,741,707)	(1,173,378)	(1,741,707)	(1,173,378)
Profit net of tax, representing total comprehensive income attributable to owners of the parent	10,208,630	8,536,049	10,208,630	8,536,049
Earnings per share attributable to owners of the parent (sen per share)				
- Basic	4.11	4.34	4.11	4.34
- Diluted	4.11	4.18	4.11	4.18

Note:

1. *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 2015 and the accompanying notes attached to the unaudited interim financial statements.*

Unaudited Condensed Consolidated Statements of Financial Position
As at 31 January 2016

	Unaudited As At 31/01/2016	Audited As At 31/10/2015
	RM	RM
Assets		
Non-current assets		
Plant and equipment	249,067,719	252,237,777
Intangible assets	406,690,573	368,324,840
Deferred tax assets	1,175,902	1,455,609
Long term trade receivables	5,986,711	5,229,014
	662,920,905	627,247,240
Current assets		
Trade and other receivables	167,878,215	162,842,647
Other current assets	697,662	778,607
Tax recoverable	4,000	-
Cash and bank balances	117,777,725	101,467,139
	286,357,602	265,088,393
Total assets	949,278,507	892,335,633
Equity and liabilities		
Current liabilities		
Loans and borrowings	94,145,464	113,688,923
Trade and other payables	139,099,628	161,530,108
Tax payable	3,145,199	2,590,822
	236,390,291	277,809,853
Net current assets/(liabilities)	49,967,311	(12,721,460)
Non-current liabilities		
Loans and borrowings	292,366,769	204,743,929
Trade and other payables	16,773,983	16,243,017
Deferred tax liabilities	8,000	8,000
	309,148,752	220,994,946
Total liabilities	545,539,043	498,804,799
Net assets	403,739,464	393,530,834
Equity attributable to equity holders of the Company		
Share capital	124,335,636	124,335,636
Share premium	138,784,112	138,784,112
Reverse acquisition reserve	(36,700,000)	(36,700,000)
Retained earnings	177,319,716	167,111,086
Total equity	403,739,464	393,530,834
Total equity and liabilities	949,278,507	892,335,633
Net assets per share attributable to ordinary equity holders of the Company (RM)	1.62	1.58

Note:

1. *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 2015 and the accompanying notes attached to the unaudited interim financial statements.*

CYPARK RESOURCES BERHAD (642994-H)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JANUARY 2016

Statements of Changes in Equity
For the First Quarter ended 31 January 2016

	← Non-distributable			→	Distributable	
	Share capital RM	Share premium RM	Share option reserve RM	Reverse acquisition reserve RM	Retained earnings RM	Equity Total RM
2016						
Group						
Opening balance at 1 November 2015	124,335,636	138,784,112	-	(36,700,000)	167,111,086	393,530,834
Total comprehensive income	-	-	-	-	10,208,630	10,208,630
Closing balance at 31 January 2016	124,335,636	138,784,112	-	(36,700,000)	177,319,716	403,739,464
2015						
Group						
Opening balance at 1 November 2014	98,407,280	87,625,088	2,990,342	(36,700,000)	133,478,340	285,801,050
Total comprehensive income	-	-	-	-	8,536,049	8,536,049
Transactions with owners						
Issue of ordinary shares	2,250,000	5,850,000	-	-	-	8,100,000
Exercise of employee share options	7,000	17,216	(4,526)	-	-	19,690
Share issuance expenses		(203,525)		-	-	(203,525)
Total transactions with owners	2,257,000	5,663,691	(4,526)	-	-	7,916,165
Closing balance at 31 January 2015	100,664,280	93,288,779	2,985,816	(36,700,000)	142,014,389	302,253,264

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 2015 and the accompanying notes attached to the unaudited interim financial statements.

Unaudited Condensed Consolidated Statements of Cash Flows
For the First Quarter ended 31 January 2016

	3 months ended	
	31/01/2016	31/01/2015
	RM	RM
		(Restated)
Cash flows from operating activities		
Profit before tax	11,950,337	9,709,427
Adjustments for:		
Depreciation of plant and equipment	3,359,489	3,363,328
Unrealised foreign exchange (gain)/loss	(1,045,337)	583,967
Amortisation of intangible assets	216,363	-
Construction profit recognised pursuant to IC Interpretation 12	(8,859,824)	(6,061,781)
Interest expense	3,006,088	3,644,778
Interest income	(696,005)	(389,999)
Operating cash flows before changes in working capital	7,931,111	10,849,720
Changes in working capital:		
Trade and other receivables	(5,794,765)	(16,791,480)
Other current assets	80,945	54,897
Trade and other payables	(21,037,902)	5,461,733
Cash flows used in operations	(18,820,611)	(425,130)
Interest paid	(2,820,863)	(3,371,368)
Taxes paid	(911,623)	(1,283,781)
Net cash flows used in operating activities	(22,553,097)	(5,080,279)
Cash flows from investing activities		
Additions to intangible assets	(29,722,272)	(21,601,896)
Purchase of plant and equipment	(189,431)	(523,154)
Interest received	696,005	389,999
Net cash flows used in investing activities	(29,215,698)	(21,735,051)
Cash flows from financing activities		
Proceeds from issuance of ordinary shares		
- Private placement	-	8,100,000
- ESOS	-	19,690
Share issuance expense	-	(203,525)
Revolving credit, net	-	7,900,000
Short term borrowings, net	(6,266,664)	(19,265,937)
Term loans, net	78,956,146	18,805,448
Finance lease obligations, net	(83,888)	(81,431)
Net cash flows generated from financing activities	72,605,594	15,274,245
Net increase/(decrease) in cash and cash equivalents	20,836,799	(11,541,085)
Cash and cash equivalents at beginning of financial period [2]	96,176,086	65,559,800
Cash and cash equivalents at end of financial period	117,012,885	54,018,715

Cash and cash equivalents at the end of the financial period comprise the following:

Short term deposits with licensed banks	80,925,386	40,249,792
Cash at banks and in hand	36,852,339	15,887,662
Cash and bank balances	117,777,725	56,137,454
Less: Bank overdrafts	(764,840)	(2,118,739)
	117,012,885	54,018,715

Notes:

(1) 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 2015 and the accompanying notes attached to the unaudited interim financial statements.

(2) The amount of cash and cash equivalents at beginning of financial period has been restated from the audited figures of RM93,279,236 to RM96,176,086 by including all the short term deposits with licensed banks and cash at banks and in hand.

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.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 October 2015. The explanatory notes attached to these interim financial statements provide an explanation of events and transactions that are significant to understand the changes in the financial position and performance of the Group since the financial year ended 31 October 2015.

A2. Changes in accounting policies

The significant accounting policies and computation methods are consistent with those adopted for the year ended 31 October 2015. At the date of authorisation of these interim financial statements, 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 9	Financial Instruments (2014)	*1 January 2018*
MFRS 14	Regulatory Deferral Accounts	*1January 2016*
MFRS 15	Revenue from Contracts with Customers	*1 January 2017*
Amendments to MFRSS 10 & 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	*1 January 2016*
Amendments to MFRSS 10, 12 & 128	Investment Entities: Applying the Consolidation Exception	*1 January 2016*
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations	*1 January 2016*
Amendments to MFRS 101	Disclosure Initiative	*1 January 2016*
Amendments to MFRS 116 & 138	Clarification of Acceptable Methods of Depreciation and Amortisation	*1 January 2016*
Amendments to MFRS 116 & 141	Agriculture: Bearer Plants	*1 January 2016*
Amendments to MFRS 127	Equity Method in Separate Financial Statements	*1 January 2016*
Amendments to MFRSs	Annual Improvements 2012 – 2014 Cycle	*1 January 2016*

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 2015.

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.

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
3 months ended 31 January 2016						
Revenue						
Sale to external customers	37,318,755	20,107,213	2,207,036	9,158,212	-	68,791,216
Inter-segment sales	37,494,161	-	-	-	(37,494,161)	-
Total revenue	74,812,916	20,107,213	2,207,036	9,158,212	(37,494,161)	68,791,216
Results						
Profit for reportable segments	8,359,160	3,308,717	497,990	3,686,797	-	15,852,664
Other income						1,753,561
Administrative expenses						(2,649,800)
Operating profits						14,956,425
Finance costs						(3,006,088)
Profit before tax						11,950,337
Income tax expense						(1,741,707)
Profit net of tax						10,208,630

	Environmental Engineering RM	Landscaping & Infrastructure RM	Maintenance RM	Renewable Energy RM	Elimination RM	Total RM
3 months ended 31 January 2015						
Revenue						
Sale to external customers	28,832,357	21,083,035	1,500,000	8,506,874	-	59,922,266
Inter-segment sales	6,253,123	-	-	-	(6,253,123)	-
Total revenue	35,085,480	21,083,035	1,500,000	8,506,874	(6,253,123)	59,922,266
Results						
Profit for reportable segments	7,235,270	2,918,127	420,000	3,477,438	-	14,050,835
Other income						466,682
Administrative expenses						(1,163,312)
Operating profit						13,354,205
Finance costs						(3,644,778)
Profit before tax						9,709,427
Income tax expense						(1,173,378)
Profit net of tax						8,536,049

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 as at 31 January 2016:-

	RM
Capital expenditure	
Approved and contracted for:-	
- Intangible assets	211,474,710

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 24 March 2016, 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 current quarter under review.

A14. Contingent liabilities

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

	31 January 2016 RM
Secured:	
- Performance bond/tender bond guarantees favouring Government/ Statutory bodies and companies acceptable to the banks for various projects	33,205,663
- Bank guarantees extended to Government/Government Bodies in respect of various projects of the Group	135,000
- Bank guarantees extended to third parties in respect various projects of the Group	3,160,000
- Letter of credits given to suppliers for purchase of materials	3,448,302
	39,948,965
Unsecured:	
- Corporate guarantees given to banks for credit facilities granted to subsidiaries	611,720,000
	611,720,000
TOTAL	651,668,965

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

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 31/01/2016 RM
CyEn Resources Sdn Bhd	Dato' Daud bin Ahmad, Tan Sri Razali bin Ismail and Tan Swee Loon	Sub-contractor charges and consulting fees paid for environmental / landscape works	3,350,793	3,350,793	9,111,114

B1. Analysis of performance

<u>Current Year Quarter ended 31 January 2016 Vs Preceding Year Quarter ended 31 January 2015</u>

The Group's revenue for 1Q2016 increased by RM8.9 million or 14.8% to RM68.8 million as compared to RM59.9 million recorded in 1Q2015 mainly due to the increase in income from the environmental engineering project at Ladang Tanah Merah in current quarter. The profit before tax for 1Q2016 increased by RM2.3 million or 23.1% to RM12.0 million from RM9.7 million as recorded in 1Q2015. This was mainly due to the decrease in finance costs and favourable foreign exchange movement of RM against USD in current quarter. Accordingly, the Group's profit after tax for 1Q2016 also increased significantly by RM1.7 million or 19.6% to RM10.2 million from RM8.5 million in 1Q2015.

The details of the performance of each segment are as follows:-

Environmental Engineering

The revenue for 1Q2016 increased substantially by RM8.5 million or 29.4% to RM37.3 million as compared to RM28.8 million recorded in 1Q2015. This was mainly due to the increase in work activities of Phase 2 of the environmental engineering project after the formalisation of the appointment of EPCC. In line with the increase in revenue, the profit before tax in current quarter also increased substantially by 28.7%% to RM7.4 million from RM5.7 million in 1Q2015.

Landscaping & Infrastructure

The revenue for the landscaping and infrastructure division for current quarter remained stable at RM20.2 million as compared to RM21.1 million recorded in 1Q2015. Accordingly, the profit before tax of this division was recorded at RM2.9 million in current quarter as compared to RM2.7 million in 1Q2015. The revenue of this division in 1Q2016 was mainly contributed by a new project secured during current quarter.

Maintenance

The revenue for this division increased significantly by 47.1% or RM0.7 million to RM2.2 million from RM1.5 million in 1Q2015. This was mainly due to the tipping fees generated from the landfill operation at Ladang Tanah Merah site, which came into operation in 1Q2016.

Renewable Energy

The revenue for renewable energy division increased by 7.7% to RM9.2 million in 1Q2016 from RM8.5 million in 1Q2015. The profit before tax also increased by 43.4% or RM0.4 million to RM1.2 million in current quarter from RM0.8 million in 1Q2015. The increase is mainly due to the increase in export capacity of green electricity to 30.3MW as compared to 29.3MW in 1Q2015 and also the saving achieved in finance costs.

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

The revenue of the Group for the current quarter under review increased by 23.4% or RM13.0 million to RM68.8 million as compared to RM55.7 million recorded in the immediate preceding quarter. The increase in revenue was mainly attributed to the increase in work activities of the environmental engineering project after the appointment of EPCC and a newly secured project in the landscaping and infrastructure division in current quarter.

The profit before tax of the Group also increased by RM1.5 million or 13.6% to RM12.0 million from RM10.5 million recorded in the immediate preceding quarter mainly due to unrealised foreign exchange gain recognised in current quarter.

B3. Prospects for the Current Financial Year

Strategic Business Model Transformation

In view of the increasing susceptibility of the local economy to global and regional changes, the Management has undertaken a major business model transformation by changing its revenue generation capability. In 2010, when Cypark Resources Berhad (Cypark or the Group) was first listed, Cypark relied heavily on the short-to-mid term contracts which are cyclical and sensitive to the fluctuations of the overall local and global economic growth.

In 2012, the Management took a strategic decision to focus on the Group's capability in developing business models which are more sustainable by moving into concessionaire and long term income generating assets which would maintain as well as complement our leadership in the niche area of green technology, environmental engineering and integrated modern waste management. The implementation of Malaysia's new Sustainable Energy Development Act (2011), the Renewable Energy Act (2011) and the introduction of the national green technology initiatives through Green Technology Corporation have provided Cypark with vast opportunities to create sustainable value in leading the nation's transition to a clean energy future by becoming an enabler in the renewable energy (RE) sector. These national frameworks essentially provided an avenue for Cypark to align its vision and realize its leadership ambitions within the Malaysian renewable energy (RE) industry. The implementation of Solid Waste and Public Cleansing Management Act (2007) in year 2011 - which promotes public-private partnership in developing modern waste management facilities through private funding initiatives - has created for Cypark a timely and excellent first mover path for securing waste management concessionaire.

Cypark's capability in integrating its multidisciplinary expertise and know-how in the field of environmental engineering, infrastructure, green technology and waste management has resulted in the conversion of hundreds of acres of polluted dumpsites into renewable energy parks via the utilisation of Cypark's scientifically engineered landfill restoration system. Restored landfills such as the one in Pajam, Negeri Sembilan, Malaysia has now been transformed into an Integrated Renewable Energy Park, recognised by the Malaysia's Book of Records as the nation's first and largest solar park, capable of generating almost 19 million kWh annually of green energy. This clean energy is sold to Tenaga Nasional Berhad, the nation's utility company through a 21 years renewable energy power purchase agreement.

The public's demand for closure of many critically polluting dumpsites and the need for a cleaner and greener solution for waste management and disposal facilities have generated opportunities for Cypark to implement its innovative waste-to-energy technology, the SMART-WTE. Cypark is currently constructing the SMART-WTE plant in Ladang Tanah Merah, Negeri Sembilan, Malaysia. This plant will exclusively cater for most of the waste generated in the state of Negeri Sembilan for the next 25 years. Once completed in 2017, the plant will be the nation's first and largest state of the art green waste-to-energy (WtE) plant. Based on its input capacity of 1000 tonne per day and design capacity of 20MWh, the plant is expected to generate revenue of more than RM80 million annually.

Sizable investment in building many income generating concession assets --- funded by new long term loans and equity enlargement --- is part of the business model transformation which would significantly augment the Group's business sustainability; providing it with a tenable and long term recurring revenue and profit. In essence, the guiding principle is 'from volume to value' with innovative technologies to support our model. Thus, we aim to continuously manage innovation more creatively and professionally in future; establishing relevant culture, structures and processes that allow us to develop new business models which go beyond incremental improvement of the existing value chain.

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

Prospect of Growth

As a leading green energy company, Cypark recognises that environmental protection and stewardship are rewarded with financial success. Whichever way one look at it, sustainable development is critical to our long-term viability and therefore our capacity to create value wherever we do business: by offering unique and enhanced solutions, by stimulating social and economic awareness, and by facilitating access to sustainable green technology. Cypark recognizes the need to uphold business models that enable responsible, equitable growth. In short, Cypark's future depends on our ability to provide balanced solution between social and economic growth with sustainable environmental practices. Cypark embraces the challenge of reinventing our company to meet the changing needs of consumers by offering sustainable energy choices through innovative emerging green energy technologies.

Our unique value proposition come hand-in-hand with the exciting prospects of the Malaysian energy landscape. With the implementation of revised surcharge on electricity bill for the RE Fund, effective 1st January 2014, from 1.0% to 1.6% for Peninsular Malaysia and first time implementation of 1.6% for Sabah, the RE industry in Malaysia is fast progressing in the right direction. This is further supported by the announcement in January 2015 by the Ministry of Energy, Green Technology and Water (KeTTHA) to amend the Electricity Supply Act 1990 in Parliament this year to give it "more punch and to keep up with the latest development in the industry" and subsequently enforce the amended law. The amendment is to enable the optimisation of the existing infrastructure so as to increase the economic returns and strengthen the nation's electrical supply industry. The goal is to attract more investors and ensure that a sustainable, efficient and reliable power supply is in operation in the country.

Despite the drop in oil prices, our ability to maintain revenue from the sales of green energy is unaffected due to the fixed FiT of RE. Additionally, constant technological evolutions lowering the barriers of entry in the industry, is global. Renewables are becoming ever more competitive. The nation's need to build additional power plants and replace aging ones indicates the dynamism of the nation's power industry as a whole; an industry in which RE shares the same market. Digitisation (metering, internet, software) is already making energy management very simple and available to local providers and end consumers around the world. Soon, local and centralised storage will become widely economically viable. This bodes well for the RE industry in general as our 21st century energy supply is destined to be not only cleaner than before, but also more distributed and grid independent. The result is a much more flexible, diverse and innovative energy marketplace. Utilities anywhere, including in Malaysia, cannot afford to sleep through this monumental shift.

Bloomberg New Energy Finance (BNEF) recent report indicates that clean energy investment jumped 16% in 2014 to $310bn. The better-than-expected performance last year reflected several striking changes. Solar was the biggest single contributor due to the vast improvements in its cost-competitiveness over the last five years. Solar made up almost half the clean energy investment in 2014, at $150bn, some 25% higher than in 2013. Most of the investment was in small distributed capacity – projects of less than 1MW, typically on rooftops. This segment saw $74bn committed in 2014, up 34% on the year. For the 2015 solar market, BNEF also forecasts 58.3 GW to be installed in 2015 as it expects annual installed capacity to increase by more than 20% in 2015.

Through the RE Act which is implemented by the Sustainable Energy Development Authority (SEDA), the government has set a target of 11% renewable energy contribution to the national grid by 2020. SEDA manages RE Fund and FiT formulated under the RE Act. The RE Fund was implemented on 1st December 2011, under Section 23 of the RE Act 2011 to facilitate the implementation of the FiT mechanism which enables electricity generated from renewable sources to be paid a premium tariff.

KeTTHA has to date received RE applications with a total installed capacity of 932 Megawatts (MW). With the abundance of raw materials, the government is actively encouraging the RE sector, and there is wide scope for industry players. Of the 932MW from the RE applications, 111MW will come from biogas with an expected investment of RM821 million, biomass (303MW, RM1.3 billion), mini-hydro (264MW, RM2.3 billion) and solar energy (252MW, RM2.6 billion). To date RE supplies 243MW to the national power grid, of which biogas contributes 11.7MW, biomass 55.9MW, mini-hydro 15.7MW and solar energy 160MW.

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

These numbers have bolstered our confidence in the waste-to-energy (WtE) and biomass potential in Malaysia. The recent Malaysian government decision to call tender for another waste to energy project at Kepong, Kuala Lumpur clearly indicates our government's commitment to developing more modern waste management facilities to replace current landfilling practices. This is in line with the regional trend such as in China, Singapore, Japan, Korea, Taiwan etc.

In line with the global trend, the market for thermal treatment and energy recovery of residual and other types of solid waste is growing continuously. Increasing waste amounts, shrinking landfill spaces in agglomerations and higher ecological standards stimulate this growth throughout the world. Today, almost 2,200 WtE plants are active worldwide. These facilities have a disposal capacity of around 270 million tons of waste per year. More than 200 thermal treatment plants with a capacity of over 60 million annual tons were constructed between 2009 and 2013.

The market growth of solid waste management services in Malaysia is expected to be driven by the increasing waste output of its population and the increasing awareness for environmental care and protection. Urbanisation and the increasing development of urban areas are the main causes of solid waste generation. Recent statistics from Ministry of Urban Wellbeing, Housing and Local Government indicated that Malaysians produced 33,000 tonnes of solid waste a day, seven years earlier than the target of 30,000 tonnes projected for 2020. The RMK-10 targeted that by 2015, renewable energy from solid waste and biomass would contribute 530 megawatts of the 985 megawatts to be produced from other renewable energy sources.

Under Malaysia's Economic Transformation Programme (ETP), waste management firms utilizing green technologies were identified as one of the services that can jump-start a vibrant green technology industry. The ETP forecast that green services offer RM295 billion in potential energy savings by 2020. With its experience, expertise and proven track records, the Group is well-positioned to benefit from government projects earmarked under the RMK-10 and ETP.

Cypark is determined to be one of the leaders in this transformation of the energy industry. Based on RE industry outlook – locally and globally – Cypark is in an excellent position to pursue future growth by continuing to innovate and lead the market; centred on the Group's two core expertise --- integrated RE generation and green engineering solutions. We intend to grow along with industry's growth placing ourselves as premium local and key regional player.

Going forward, we plan to continue to optimize our business models and commercial processes. Cypark has made tremendous strides becoming a business that is more sustainable economically, socially and environmentally. Our approach is to effectively deliver exemplary financial and operating results today while positioning ourselves for a revolution in the clean energy industry by investing in emerging green technologies that will define the 21st century energy landscape.

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 be robust and strong for the current and coming years.

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 31 January 2016	Cumulative Year to date 3 months ended 31 January 2016
Profit before tax is stated after crediting:-		
Interest income	696,005	696,005
Other income (including investment income)	12,219	12,219
Foreign exchange gain - unrealised	1,045,337	1,045,337
Profit before tax is stated after charging:-		
Interest expenses	3,006,088	3,006,088
Amortisation of intangible assets	216,363	216,363
Depreciation	3,359,489	3,359,489
Foreign exchange loss - realised	707,666	707,666
Foreign exchange loss - unrealised	N/A	N/A
Provision for impairment loss on trade 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 31 January 2016 RM	Current year to date 31 January 2016 RM
Income tax		
- Current	1,462,000	1,462,000
Deferred tax	279,707	279,707
	1,741,707	1,741,707

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. Placement and Exemption

On 10 February 2015, Public Investment Bank Berhad ("**PIVB**"), on behalf of the Board of Directors ("**Board**"), announced that the Company had, on the even date, entered into a conditional subscription agreement with Dato' Daud bin Ahmad ("**Dato' Daud**") in respect of the Placement (as defined herein). Pursuant thereto, the Company proposed to undertake the following:

(i) placement of up to 40,978,112 new CRB Shares ("**Placement Shares**"), representing up to twenty percent (20%) of the issued and paid-up share capital of CRB ("**Placement**"); and

(ii) exemption under Paragraph 16.1(b), Practice Note 9 of the Malaysian Code on Take-overs and Mergers, 2010 to Dato' Daud and his person acting in concert, namely Tan Sri Razali bin Ismail ("**Tan Sri Razali**") from the obligation to undertake a mandatory take-over offer for all the remaining CRB Shares not already held by them upon completion of the Placement ("**Exemption**"),

(collectively referred to as "**Corporate Exercises**").

The Placement would enable CRB to maintain its Bumiputera-controlled public listed company status with certainty through its co-founders, as well as to raise funds for the Group's working capital requirement, whilst the Exemption is to facilitate the Placement.

The listing application for the listing of and quotation for the new CRB Shares to be issued pursuant to the Placement was submitted to Bursa Securities on 12 February 2015 and was approved on 10 March 2015.

The Corporate Exercises were approved by the shareholders of CRB at the extraordinary general meeting, which was convened on 6 May 2015. The application in respect of the Exemption was submitted to the SC and was subsequently approved on 19 May 2015.

On 1 July 2015, the Board fixed the issue price for 7,000,000 Placement Shares at RM1.52 per Placement Share, being the first (1st) tranche of the Placement. The issue price represents a discount of approximately 9.61% to the five (5)-day volume weighted average market price ("**5-day VWAP**") of CRB Shares up to and including 30 June 2015 of RM1.6816 per CRB Share.

The first (1st) tranche of the Placement was completed on 8 July 2015, following the listing and quotation of the 7,000,000 Placement Shares on the even date.

On 10 July 2015, the Board fixed the issue price for 13,489,056 Placement Shares at RM1.53 per Placement Share, being the second (2nd) tranche of the Placement. The issue price represents a discount of approximately 9.83% to the 5-day VWAP of CRB Shares up to and including 9 July 2015 of RM1.6968 per CRB Share.

The second (2nd) tranche of the Placement was completed on 21 July 2015, following the listing and quotation of the 13,489,056 Placement Shares on the even date.

On 26 August 2015, PIVB on behalf of the Board, announced that an extension of time application to complete the implementation of the Placement had been submitted to Bursa Securities on the even date. On 28 August 2015, the Company subsequently withdrew the aforementioned application as the implementation of the Placement is expected to be completed by 9 September 2015.

On 28 August 2015, the Board fixed the issue price for 19,776,656 Placement Shares at RM1.31 per Placement Share, being the third (3rd) and final tranche of the Placement. The issue price represents a discount of approximately 9.79% to the 5-day VWAP of CRB Shares up to and including 27 August 2015 of RM1.4522 per CRB Share.

B9. Status of corporate proposals – cont'd

a. Placement and Exemption – cont'd

The third (3rd) and final tranche of the Placement was completed on 9 September 2015, following the listing and quotation of the 19,776,656 Placement Shares on the even date.

The utilisation of the proceeds raised (1st tranche, 2nd tranche and 3rd tranche) is as follows:

Purpose	Proposed Utilisation	Actual Utilisation	Intended Timeframe for Utilisation	Deviation		Explanations
	RM	RM		RM	%	
Working capital requirements	55,589,119	31,500,000	36 months	24,089,119	43	Will be utilised in coming quarters
Expenses	1,596,556	1,596,556	-	-	-	Fully utilised.
	57,185,675	33,096,556				

b. New ESOS

The Company's new employee share option scheme of up to fifteen percent (15%) of the issued and paid-up share capital of CRB for the eligible employees and Directors of CRB and its subsidiaries ("**ESOS**") was approved by the shareholders of CRB at the Tenth (10th) Annual General Meeting, which was convened on 21 April 2015.The effective date for the implementation of the New ESOS was 19 October 2015, as announced on the even date.

There was no ESOS grant under this new ESOS scheme during current quarter.

c. DRS

The dividend reinvestment scheme that provides the shareholders of CRB with the option to elect to reinvest their cash dividends declared by CRB in new CRB Shares ("**DRS**") was approved by the shareholders of CRB at the Tenth (10th) Annual General Meeting, which was convened on 21 April 2015.

On 7 March 2016, CRB announced a single-tier final dividend of 5.00 sen per CRB Share for the financial year ended 31 October 2015, which is subject to the approval of the shareholders of CRB at the forthcoming Eleventh Annual General Meeting. The Board had also determined that the DRS will apply to the aforesaid dividend.

The listing application for the listing of and quotation for the new CRB Shares to be issued pursuant to the DRS was submitted to Bursa Securities on 8 March 2016 and was subsequently approved on 14 March 2015.

The date of entitlement and date of payment in respect of the aforesaid dividend will be determined and announced at a later date.

B10. Group's borrowings and debts securities

The Group's borrowings and debts securities as at 31 January 2016 are as follows:-

	RM
Short term borrowings	
Secured:-	
Bank overdrafts	764,840
Trust receipts	29,381,039
Finance lease	374,265
Term loans	15,625,320
Revolving credits	48,000,000
	94,145,464
Long term borrowings	
Secured:-	
Finance lease	1,266,246
Term loans	291,100,523
	292,366,769
Total borrowings	
Secured:-	
Bank overdrafts	764,840
Trust receipts	29,381,039
Finance lease	1,640,511
Term loans	306,725,843
Revolving credits	48,000,000
	386,512,233

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. **Ocned Water Technology Sdn. Bhd. ("Plaintiff") v CSB (Shah Alam High Court Suit No. 22C-22-09/2014**

The Plaintiff claimed, inter alia, for a sum of RM1,336,262.11, being the alleged and purported outstanding amount due to the plaintiff under their subcontract.

CSB filed a counter claim against the plaintiff on 7 November 2014. CSB in its defence and counter claim is disputing the alleged outstanding claim by the Plaintiff as the Subcontract was terminated as a result of the Plaintiff's non-performance and default of the Subcontract. CSB has deducted various deductibles incurred including costs in engaging third party subcontractors to execute the balance of the works under the Plaintiff's Subcontract, whereby CSB has a balance outstanding amount of RM93,944.29 due from the Plaintiff to CSB. CSB further seeks indemnity against the Plaintiff for any losses suffered by CSB in completing the balance of works under the Subcontract.

This matter was fixed for case management on 24 November 2014 for both parties to exhaust their pleadings. During the case management on 24 November 2014, the plaintiff inducted to the Court that they would be filing an application for discovery. In the circumstances, the Court has fixed for another case management on 8 December 2014.

During the case management on 8 December 2014, the Court has fixed the Plaintiff's application of discovery for hearing on 20 January 2015. On 20 January 2015, the discovery order was granted. Subsequently, on 2 March 2015, the documents specified in the discovery order were inspected by the plaintiff. The matter was fixed for trial from 24 June 2015 to 26 June 2015 and further extended to 28 July 2015 for witnesses to rectify for this matter.

Further directions from The Court are for Parties to file their respective submission on 21 September 2015 and an oral submission in reply to be heard before the Judge on 2 October 2015. However, this date was vacated as the Court had given new directions for parties to file in their respective written submission on or before 30 October 2015 while the oral submission in reply to be heard before the Judge on 20 November 2015. Following the oral submissions on 20 November 2015, the matter was then fixed for decision or clarification on 18 January 2016.

CSB was informed by its solicitors that the High Court Judge had allowed for the Plaintiff's claim and dismissed the Defendant's counterclaim. CSB was advised by its solicitors that they have a good chance in appealing against the decision of the High Court Judge. In this regard, the Notice of Appeal was filed by CSB on 25 February 2016.

B13. Realised and unrealised profits or losses of the Group

	Current Financial Period As at 31 January 2016 RM	Preceding Financial Year As at 31 October 2015 RM
Total retained earnings of the Group and its subsidiaries		
Realised	180,943,294	170,484,466
Unrealised	632,000	882,000
	181,575,294	171,366,466
Add: Consolidation adjustments	(4,255,578)	(4,255,380)
Retained earnings as per financial statements	177,319,716	167,111,086

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 date used in the computation of basic and diluted earnings per share for the quarter ended 31 January 2016:-

	Quarter ended		Year to date ended	
	31 Jan 2016 RM	31 Jan 2015 RM	31 Jan 2016 RM	31 Jan 2015 RM
Profit net of tax, representing total comprehensive income attributable to owners of the parent used in the computation of the basic and diluted earnings per share	10,208,630	8,536,049	10,208,630	8,536,049
Weighted average number of ordinary shares for basic earnings per shares computation	248,671,272	196,873,364	248,671,272	196,873,364
Effects of dilution - share options	-	7,462,000	-	7,462,000
Weighted average number of ordinary shares for diluted earnings per share computation	248,671,272	204,335,364	248,671,272	204,335,364