

Unaudited Condensed Consolidated Statements of Comprehensive Income
For the Third Quarter ended 31 July 2019

	<u>Individual Quarter</u>			<u>Cumulative Period</u>		
	Current Year	Preceding Year	Changes	Current Year	Preceding Year	Changes
	Quarter	Quarter		To Date	To Date	
31 July 2019	31 July 2018	%	31 July 2019	31 July 2018	%	
	RM	RM		RM	RM	
Revenue	87,173,100	75,128,751	16.0%	277,041,799	258,229,119	7.3%
Cost of sales	(55,455,086)	(47,682,017)	16.3%	(196,249,327)	(184,746,714)	6.2%
Gross profit	31,718,014	27,446,734	15.6%	80,792,472	73,482,405	9.9%
Other income	825,132	1,381,061	-40.3%	2,541,731	2,840,952	-10.5%
Administrative expenses	(3,545,165)	(2,914,977)	21.6%	(8,082,743)	(6,360,037)	27.1%
Operating profit	28,997,981	25,912,818	11.9%	75,251,460	69,963,320	7.6%
Finance costs	(3,941,632)	(2,398,380)	64.3%	(8,999,692)	(7,608,657)	18.3%
Share of results of an associate	(151,002)	(96,297)		(286,660)	(148,489)	
Profit before tax	24,905,347	23,418,141	6.4%	65,965,108	62,206,174	6.0%
Tax expense	(4,845,393)	(4,203,228)	15.3%	(13,554,043)	(11,986,255)	13.1%
Profit for the year	20,059,954	19,214,913	4.4%	52,411,065	50,219,919	4.4%
Other comprehensive income net of tax	-	-		-	-	
Total comprehensive income for the year	20,059,954	19,214,913	4.4%	52,411,065	50,219,919	4.4%
Total comprehensive income attributable to:-						
- Owners of the Company	20,060,140	19,215,093	4.4%	52,412,342	50,220,849	4.4%
- Non-controlling interest	(186)	(180)		(1,277)	(930)	
	20,059,954	19,214,913		52,411,065	50,219,919	
Earnings per share for profit attributable to the owners of the Company (sen per share)						
- Basic	4.38	4.90		11.44	12.81	
- Diluted	4.35	4.84		11.38	12.65	

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 2018 and the accompanying notes attached to the unaudited interim financial statements.

Unaudited Condensed Consolidated Statements of Financial Position**As at 31 July 2019**

	Unaudited As At 31 July 2019 RM	Audited As At 31 Oct 2018 RM
Assets		
Non-current assets		
Plant and equipment	207,393,254	216,441,414
Intangible assets	857,576,201	813,321,079
Investment in associated company	2,811,682	3,098,342
Deferred tax assets	478,448	508,996
Long term trade receivables	5,735,973	5,910,670
	<u>1,073,995,558</u>	<u>1,039,280,501</u>
Current assets		
Trade and other receivables	519,120,987	379,462,043
Other current assets	2,072,555	3,187,863
Tax recoverable	3,047	3,397
Cash and bank balances	86,945,551	91,598,703
	<u>608,142,140</u>	<u>474,252,006</u>
Total assets	<u>1,682,137,698</u>	<u>1,513,532,507</u>
Equity and liabilities		
Current liabilities		
Loans and borrowings	242,418,804	133,392,958
Trade and other payables	245,117,695	230,745,601
Tax payable	12,525,163	7,094,094
	<u>500,061,662</u>	<u>371,232,653</u>
Net current assets	<u>108,080,478</u>	<u>103,019,353</u>
Non-current liabilities		
Loans and borrowings	456,089,150	475,694,607
Trade and other payables	18,717,471	19,137,810
Deferred tax liabilities	311,000	11,000
	<u>475,117,621</u>	<u>494,843,417</u>
Total liabilities	<u>975,179,283</u>	<u>866,076,070</u>
Net assets	<u>706,958,415</u>	<u>647,456,437</u>
Equity		
Share capital	400,839,174	374,587,310
Reverse acquisition reserve	(36,700,000)	(36,700,000)
Share option reserve	1,981,219	3,269,170
Retained earnings	340,841,592	306,302,250
Equity attributable to owners of the Company	<u>706,961,985</u>	<u>647,458,730</u>
Non-controlling interests	<u>(3,570)</u>	<u>(2,293)</u>
Total Equity	<u>706,958,415</u>	<u>647,456,437</u>
Total equity and liabilities	<u>1,682,137,698</u>	<u>1,513,532,507</u>
Net assets per share attributable to owners of the Company (RM)	1.51	1.94

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 2018 and the accompanying notes attached to the unaudited interim financial statements.

CYPARK RESOURCES BERHAD (642994-H)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 JULY 2019

Statements of Changes in Equity
For the Third Quarter ended 31 July 2019

	←————— Attributable to owners of the Company —————→							Equity Total RM
	←————— Non-distributable —————→			Distributable				
	Share capital RM	Share premium RM	Share option reserve RM	Reverse acquisition reserve RM	Retained earnings RM	Total RM	Non-controlling interests RM	
2019								
Group								
Opening balance at 1 November 2018	374,587,310	-	3,269,170	(36,700,000)	306,302,250	647,458,730	(2,293)	647,456,437
Total comprehensive income	-	-	-	-	52,412,342	52,412,342	(1,277)	52,411,065
Transactions with owners								
Dividend on ordinary shares	-	-	-	-	(17,873,000)	(17,873,000)	-	(17,873,000)
Issue of ordinary shares via:-								
- Dividend Reinvestment Scheme	13,006,348	-	-	-	-	13,006,348	-	13,006,348
Share issuance expenses	(141,855)	-	-	-	-	(141,855)	-	(141,855)
Exercise of employee share options	13,387,371	-	(1,287,951)	-	-	12,099,420	-	12,099,420
Total transactions with owners	26,251,864	-	(1,287,951)	-	(17,873,000)	7,090,913	-	7,090,913
Closing balance at 31 July 2019	400,839,174	-	1,981,219	(36,700,000)	340,841,592	706,961,985	(3,570)	706,958,415
	-	-	-	-	-	-	-	-
Opening balance at 1 November 2017	288,728,212	-	4,477,145	(36,700,000)	250,729,352	507,234,709	(1,073)	507,233,636
Total comprehensive income	-	-	-	-	50,220,849	50,220,849	(930)	50,219,919
Transactions with owners								
Dividend on ordinary shares	-	-	-	-	(14,831,146)	(14,831,146)	-	(14,831,146)
Issue of ordinary shares via:-								
- Private placements	63,486,060	-	-	-	-	63,486,060	-	63,486,060
- Dividend reinvestment scheme	10,306,386	-	-	-	-	10,306,386	-	10,306,386
Share issuance expenses	(474,863)	-	-	-	-	(474,863)	-	(474,863)
Exercise of employee share options	12,350,757	-	(1,187,897)	-	-	11,162,860	-	11,162,860
Total transactions with owners	85,668,340	-	(1,187,897)	-	(14,831,146)	69,649,297	-	69,649,297
Closing balance at 31 July 2018	374,396,552	-	3,289,248	(36,700,000)	286,119,055	627,104,855	(2,003)	627,102,852

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 2018 and the accompanying notes attached to the unaudited interim financial statements.

**Unaudited Condensed Consolidated Statements of Cash Flows
For the Third Quarter ended 31 July 2019**

	9 months ended	
	31 July 2019 RM	31 July 2018 RM
Cash flows from operating activities		
Profit before tax	65,965,108	62,206,174
Adjustments for:		
Depreciation of plant and equipment	10,192,312	10,203,743
Share of results in associated company	286,660	148,489
Unrealised foreign exchange (gain)/loss	(1,148)	7,247
Gain on disposal of plant and equipment	(117,000)	(2,000)
Amortisation of intangible assets	10,943,175	-
Profit from construction projects	(7,175,842)	(16,088,094)
Finance income - other liabilities at amortised costs	(184,654)	-
Interest expense	8,999,692	7,608,657
Interest income	(2,065,828)	(1,893,753)
Operating cash flows before changes in working capital	<u>86,842,476</u>	<u>62,190,463</u>
Changes in working capital:		
Trade and other receivables	(139,222,311)	(83,074,468)
Other current assets	1,115,308	(766,605)
Trade and other payables	13,683,128	(11,506,308)
Cash flows used in operations	<u>(37,581,400)</u>	<u>(33,156,918)</u>
Interest paid	(8,807,199)	(7,672,136)
Taxes paid	(7,792,076)	(9,289,078)
Net cash flows used in operating activities	<u>(54,180,675)</u>	<u>(50,118,132)</u>
Cash flows from investing activities		
Proceeds from disposal of plant and equipment	117,000	2,000
Additions to intangible assets	(48,022,455)	(60,035,129)
Purchase of plant and equipment	(601,152)	(947,811)
Interest received	2,065,828	1,893,753
Net cash flows used in investing activities	<u>(46,440,779)</u>	<u>(59,087,187)</u>
Cash flows from financing activities		
Dividend paid	(4,866,652)	(4,524,760)
Proceeds from issuance of ordinary shares		
- Private placement	-	63,468,060
- ESOS	12,099,420	11,162,860
Share issuance expense	(141,855)	(474,863)
Revolving credit, net	100,000,000	(10,000,000)
Short term borrowings, net	(759,100)	(2,063,516)
Term loans, net	(10,513,297)	47,180,726
Finance lease obligations, net	(536,428)	(373,214)
Net cash flows generated from financing activities	<u>95,282,089</u>	<u>104,375,293</u>
Net decrease in cash and cash equivalents	<u>(5,339,365)</u>	<u>(4,830,026)</u>
Cash and cash equivalents at beginning of financial year ²	<u>88,540,902</u>	<u>108,511,739</u>
Cash and cash equivalents at end of financial year	<u>83,201,537</u>	<u>103,681,713</u>
Cash and cash equivalents at the end of the financial year comprise the following:		
Short term deposits with licensed banks	57,633,964	80,930,755
Cash at banks and in hand	29,311,587	26,892,494
Cash and bank balances	<u>86,945,551</u>	<u>107,823,249</u>
Less: Bank overdrafts	(3,744,014)	(4,141,536)
	<u>83,201,537</u>	<u>103,681,713</u>

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 2018 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 RM85,331,512 to RM88,540,902 by including all the short term deposits with licensed banks and cash at banks and in hand.

CYPARK RESOURCES BERHAD (642994-H)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 JULY 2019

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 2018. 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 2018.

A2. Changes in accounting policies

The significant accounting policies and computation methods are consistent with those adopted for the year ended 31 October 2018, except for the adoption of the following new MFRS and Issue Committee Interpretations (“IC Interpretations”) issued by the Malaysian Accounting Standards Board (“MASB”):

MFRSs, Amendments to MFRSs and IC Interpretation		Effective for annual period beginning on or after
MFRS 9	Financial Instruments (2014)	<i>1 January 2018</i>
MFRS 15	Revenue from Contracts with Customers	<i>1 January 2018</i>
IC Interpretations 22	Foreign Currency – Transactions and Advance Consideration	<i>1 January 2018</i>

The adoption of the above mentioned standards did not have a material impact on the financial statements of the Group.

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 MASB but not yet effective:-

MFRSs, Amendments to MFRSs and IC Interpretation		Effective for annual period beginning on or after
MFRS 10	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128)	<i>Deferred</i>
MFRS 16	Leases	<i>1 January 2019</i>
MFRS 17	Insurance Contracts	<i>1 January 2021</i>
MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128)	<i>Deferred</i>
Amendments to MFRS 3	Definition of a Business	<i>1 January 2020</i>
Amendments to MFRS 101 and MFRS 108	Definition of Material	<i>1 January 2020</i>
IC Interpretations 23	Uncertainty over Income Tax Treatments	<i>1 January 2019</i>

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

CYPARK RESOURCES BERHAD (642994-H)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 JULY 2019

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 2018.

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.

CYPARK RESOURCES BERHAD (642994-H)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 JULY 2019

A9. Segmental Information

The Group's segmental report for the financial year-to-date is as follows:

	Environmental Engineering RM	Landscaping & Infrastructure RM	Maintenance RM	Green Tech & Renewable Energy RM	Elimination RM	Total RM
9 months ended 31 July 2019						
Revenue						
Sale to external customers	211,194,928	25,318,744	4,450,316	36,077,811	-	277,041,799
Inter-segment sales	243,886,575	42,667,171	4,005,284	-	(290,559,030)	-
Total revenue	455,081,503	67,985,915	8,455,600	36,077,811	(290,559,030)	277,041,799
Results						
Profit before tax	44,845,284	8,163,603	1,441,178	11,515,043	-	65,965,108
Income tax expense						(13,554,043)
Profit net of tax						52,411,065
9 months ended 31 July 2018						
Revenue						
Sale to external customers	195,536,286	21,448,542	5,021,608	36,222,682	-	258,229,119
Inter-segment sales	222,533,417	-	4,429,005	-	(226,962,422)	-
Total revenue	418,069,703	21,448,542	9,450,613	36,222,682	(226,962,422)	258,229,119
Results						
Profit before tax	42,827,384	6,710,860	1,749,486	10,918,444	-	62,206,173
Income tax expense						(11,986,255)
Profit net of tax						50,219,918

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 July 2019:-

	RM
Capital expenditure	
Approved and contracted for:-	
- Intangible assets	<u>10,240,000</u>

A12. Material events subsequent to the end of the year

There were no material events subsequent to the end of the current financial quarter up to 24 September 2019, 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 financial year under review, except as follows:-

- I. On 16 November 2018, the Company incorporated a new wholly owned subsidiary, namely, Forenergy Sdn. Bhd. ("FSB") with an issued share capital of RM100 comprising 100 ordinary shares. FSB will be principally engaged in the business of providing renewable energy services.

A14. Contingent liabilities

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

	31 July 2019
	RM
Secured:	
- Performance bond/tender bond guarantees favouring Government/ Statutory bodies for various projects	10,509,528
- Bank guarantees extended to Government Bodies/Companies for various projects	31,100,000
	<u>41,609,528</u>
Unsecured:	
- Corporate guarantees given to banks for credit facilities granted to subsidiaries	868,160,000
	<u>868,160,000</u>
TOTAL	<u>909,769,528</u>

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 July 2019 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	1,271,201	5,663,089	8,495,329

B1. Analysis of performance**Current Year Quarter ended 31 July 2019 vs Preceding Year Quarter ended 31 July 2018**

The Group's revenue for 3Q2019 increased by RM12.0 million or 16.0% to RM 87.1 million as compared to RM75.1 million recorded in 3Q2018. The increase was mainly contributed by the projects secured in the environmental engineering and landscaping & infrastructure divisions. Despite the increase in revenue, the profit before tax for 3Q2019 only increased by RM1.5 million or 6.4% to RM24.9 million from RM23.4 million as recorded in 3Q2018. This was mainly due to the one off additional fees incurred on obtaining the new financing for the new projects in current quarter. The Group's profit after tax for 3Q2019 increased by RM0.8 million or 3.9% to RM20.0 million from RM19.2 million as recorded in preceding year quarter.

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

Environmental Engineering

The revenue for 3Q2019 increased by RM10.9 million or 19.3% to RM67.2 million as compared to RM56.4 million as recorded in 3Q2018. This was mainly due to the increase in progress of works for the projects secured in this division. Despite the significant increase in revenue, the profit before tax in current quarter increased marginally by RM0.4 million or 2.3% to RM17.1 million from RM16.7 million in 3Q2018. This was mainly attributable to the one off additional fees incurred on obtaining the new financing line for this division.

Landscaping & Infrastructure

The revenue for 3Q2019 increased by RM1.8 million or 71.3% to RM4.4 million as compared to RM2.6 million recorded in 3Q2018. The profit before tax for 3Q2019 for this division increased by RM1.1 million to RM1.5 million as compared to RM 0.4 million recorded in 3Q2018. This was mainly attributable to the on-going work activities for the preliminary works and site preparation works from the projects secured.

Maintenance (Operation & Maintenance)

The revenue generated by this division for 3Q2019 decreased by RM0.3 million to RM 1.3 million as compared to RM1.6 million recorded in 3Q2018. In line with the decrease, the profit before tax in current quarter also decreased by RM 0.2 million from RM 0.6 million as compared to RM 0.4 million recorded in 3Q2018.

Green Tech & Renewable Energy

The revenue for green tech & renewable energy division for current quarter decreased by 2.2% or RM0.3 million to RM14.2 million from RM14.5 million recorded in 3Q2018. However, the profit before tax of this division increased by RM0.2 million or 4.3% to RM5.9 million as compared to RM5.7 million recorded in 3Q2018. This was mainly contributed by further saving achieved in finance costs in current quarter.

Current Financial Period ended 31 July 2019 vs Preceding Financial Period ended 31 July 2018

The Group's revenue for current financial period increased by RM18.8 million or 7.3% to RM277.0 million as compared to RM258.2 million recorded in preceding financial period. The profit before tax for current financial period increased by RM3.8 million or 6.0% to RM66.0 million from RM62.2 million as recorded in preceding financial period. The increases were mainly contributed by the work activities from the newly secured large scale solar projects. However, the Group's profit after tax only increased by RM2.1 million or 4.4% to RM52.4 million from RM50.2 million recorded in preceding financial period due to the tax provision made for the non-tax-exempted projects during the current financial year.

B1. Analysis of performance – cont'd**Current Financial Period ended 31 July 2019 vs Preceding Financial Period ended 31 July 2018 – cont'd**

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

Environmental Engineering

The revenue for the current financial period increased by 8.0% or RM15.7 million to RM211.2 million as compared to RM195.5 million as recorded in the preceding financial period. This was mainly due to the continuous progress of works for the new large scale solar projects secured in this division. However, the profit before tax only slightly increased by RM2.0 million or 4.7% to RM44.8 million from RM42.8 million in the preceding financial period. This was mainly due to the one off additional fees incurred on obtaining the new financing line for this division.

Landscaping & Infrastructure

The revenue for the landscaping and infrastructure division for the current financial period increased by RM3.9 million to RM25.3 million as compared to RM21.4 million in the preceding financial period. This was mainly attributable to the increase in work activities for the preliminary works and site preparation works from the new projects secured. The profit before tax for this division also increased by RM1.5 million to RM8.2 million as compared to RM6.7 million recorded in preceding financial period.

Maintenance (Operation & Maintenance)

The revenue generated by this division for current financial period decreased by RM0.5 million to RM4.5 million as compared to RM5.0 million in preceding financial period. In line with the decrease in revenue, the profit before tax also decreased to RM1.4 million from RM1.7 million recorded in preceding financial period.

Green Tech & Renewable Energy

The revenue for green tech & renewable energy division for current financial period decreased marginally by RM0.1 million or 0.4% to RM36.1 million as compared to RM36.2 million recorded in preceding financial period. The profit before tax of this division increased by RM0.6 million or 5.5% to RM11.5 million as compared to RM10.9 million recorded in preceding financial period. This was also mainly contributed by the continuous saving achieved in finance costs in the current financial period.

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

The revenue of the Group for the current quarter decreased by 14.1% or RM14.3 million to RM87.2 million as compared to RM101.4 million recorded in the immediate preceding quarter. This was mainly due to certain projects which were near the completion in current quarter. Despite the decrease in revenue, the profit before tax of the Group increased marginally by RM0.6 million or 2.3% to RM24.9 million as compared to RM24.3 million recorded in the immediate preceding quarter. This was mainly due to the better margin contributed by certain newly secured projects in current quarter.

B3. Prospects for the Current Financial Year

Malaysia has recorded a relatively strong GDP growth of 4.7% in 2018 on the back of a volatile year for the world economy. Despite the World Bank's estimate of slower GDP of approximately for Malaysia 4.6% in 2020, still a respectable growth target, both the global and country's green technology and renewable energy segments are viewed to grow at a faster rate in the future. Bloomberg in its 2018 market report forecasted that EV vehicles will increase from 1.1 million vehicles in 2017 to at least 30 million by 2030. IRENA in 2018 forecasted RE generation will have a double-digit growth well to 2050, with solar is expected to have the biggest growth.

In 2018, the Malaysian Government had announced several key initiatives to push the green and renewable energy agenda. The Minister of Energy, Science Technology, Environment and Climate Change ("MESTECC") has injected strong commitments and clear roadmap to achieve a more sustainable and greener Malaysia by reaffirming Malaysia's commitment to achieve a 20% Renewable Energy target, which currently stood at 2%. The government decision to cancel a few previously approved fossils fuel based new power plants and by further announcing up to 1,140 MW quota for RE comprising of improved NEM Energy Meter ("NEM") scheme, new Large-Scale Solar ("LSS") 3 and other RE (mainly hydro, biogas and biomass) allocation, has provided a strong direction on the immediate future of RE in Malaysia. In addition, the announcement by the Minister of Housing and Local Government (KPKT) on the government's plan to build one Waste to Energy (WTE) plant in every state has brought in more confidence in the future green technology and renewable energy in Malaysia. As such in general, 2019 and beyond, we expect a strong prospect of a good growth years for the the green technology and renewable energy sector.

The businesses of Cypark focus on the areas whereby the Malaysian Government has shown clear policy and strong initiatives. Cypark's model of harnessing the economic benefits from Malaysia's abundant, green and renewable natural resources especially solar, biomass and municipal solid waste, is complementing the effort by the Malaysian Government. Cypark's offerings under its Environmental Engineering ("EE"), Renewable Energy ("RE") and Green Technology are based on proven technologies and cost competitive solutions that are considered as a win-win approach for the stakeholders mainly the shareholders, the Government and ultimately the Malaysian energy consumers.

The key success factors for Cypark can be attributed to three (3) underlying factors namely more attractive government policies on RE, continued development of more affordable and efficient green technology globally, and dynamic market mechanism. In 2019, Cypark is to continue taking advantage of the above success factors to ensure it would continue its uninterrupted revenue and profitability growth experienced since 2012.

Renewable Energy

It is expected with the commission of its WTE plant and solar farms under the LSS1, it will increase its RE installed capacity from the current 31 MW to around 62 MW. Cypark is confident that its existing exceptional track record in bidding and securing EPCC projects under the previous LSS will yield it a key advantage in securing a successful tender bid under upcoming LSS3, hence adding more capacity to our generations and sales of RE. Cypark will continue to develop business models which strive for cost competitiveness and technological superiority which can contribute to our better success rate in our tender bids .

Cypark also intends to explore prospect within ASEAN countries, especially in the focus area of RE such as in Singapore, Vietnam and Thailand.

Environmental Engineering & Solution

The prospect for this segment looks promising as it is expected to benefit in the on-going push for renewable energy and other environmental engineering projects. Taking cue from its recent success of securing sizeable EPCC from other LSS2 project owners, Cypark also hopes to replicate the same feat in LSS3 and the NEM. The expected total EPCC contract value generated by LSS3 and NEM program is estimated to be around RM4 billion. It is envisaged that there will be strong growth in other type of environmental related construction projects in line with the growing importance of environmental care such as integrated waste management. Cypark will continue to invest in R&D to ensure efficiency in its operations and management towards reducing costs and augmenting productivity.

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

The segment is expected to show a moderate growth in line with the Malaysian construction industry targeted 2019 growth of 4.9%. The company will intensify its efforts and resources to secure more projects in construction of infrastructure, landscaping, as well as residential and commercial buildings, which includes a comprehensive engineering and construction service cycle – from feasibility study to conceptual and detailed design; procurement and logistic to direct construction and project management to testing and commissioning.

Green Technology

This particular component is expected to continue contributing positively to the bottom line of Cypark in 2019. Cypark will further pursue opportunities in the biomass and biogas area, where Cypark's pilot biomass plant in Perak shall set the milestone for the company's future model of expansion. There is a huge untapped potential from this sector which has yet to be exploited fully such as in the area of energy savings and other green related technology. On the prospect of the government recent announcement about increasing biodiesel blend to 10% and the drive for greener waste management practices, Cypark expects that Green Technology segment will show a good growth trend in revenue and profitability in the future.

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		Cumulative Period	
	Current Year Quarter 31 July 2019	Preceding Year Quarter 31 July 2018	Current Year To Date 31 July 2019	Preceding Year To Date 31 July 2018
Profit before tax is stated after crediting:-				
Interest income	741,606	661,069	2,065,828	1,893,753
Other income (including investment income)	(30,170)	719,992	357,754	938,535
Gain on disposal of plant and equipment	117,000	-	117,000	2,000
Foreign exchange gain - unrealised	(3,306)	-	1,148	6,664
Profit before tax is stated after charging:-				
Interest expenses	3,941,632	2,398,380	8,999,692	7,608,657
Amortisation of intangible assets	911,931	-	2,735,794	-
Depreciation	3,389,475	3,425,568	10,192,312	10,203,743
Foreign exchange loss - unrealised	-	(3,437)	-	13,911
Provision for impairment loss on trade receivables	N/A	N/A	N/A	N/A
Provision for and write off of inventories	N/A	N/A	N/A	N/A
Impairment of assets	N/A	N/A	N/A	N/A
Loss on derivatives	N/A	N/A	N/A	N/A
Exceptional items	N/A	N/A	N/A	N/A

B6. Income tax expense

	Individual Quarter		Cumulative Period	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Quarter	To Date	To Date
	31 July 2019	31 July 2018	31 July 2019	31 July 2018
	RM	RM	RM	RM
Income tax				
- Current	4,709,822	4,937,236	13,401,303	12,712,098
- Over provision in prior year	(177,808)	(740,090)	(177,808)	(740,090)
Deferred tax	313,379	6,082	330,548	14,247
	<u>4,845,393</u>	<u>4,203,228</u>	<u>13,554,043</u>	<u>11,986,255</u>

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. 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. The ESOS shall be for a duration of five (5) years and will expire on 18 October 2020.

A total of 23,100,000 ESOS options ("2017 Options") under the ESOS Scheme was offered to eligible directors and employees at RM2.12 on 26 April 2017 and were fully accepted by all eligible directors and employees on 16 May 2017.

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

Directors	2017 Options Offered (Unit)	Options Accepted (Unit)
Tan Sri Razali bin Ismail	3,000,000	3,000,000
Dato' Daud bin Ahmad	9,000,000	9,000,000
Dato' Dr. Freezailah bin Che Yeom	150,000	150,000
Headir bin Mahfidz	150,000	150,000
Megat Abdul Munir bin Megat Abdullah Rafeaie	150,000	150,000
Datuk Abdul Malek bin Abdul Aziz	150,000	150,000

Details of the ESOS options exercised by the directors are disclosed as below:-

Directors	Balance as at 1.11.2018	Exercised	Adjustments*	Balance as at 31.7.2019
Tan Sri Razali bin Ismail	3,000,000	(1,000,000)	1,000,000	3,000,000
Dato' Daud bin Ahmad	6,700,000	(2,350,000)	2,175,000	6,525,000
Dato' Dr. Freezailah bin Che Yeom	150,000	-	75,000	225,000
Headir bin Mahfidz	150,000	-	75,000	225,000
Megat Abdul Munir bin Megat Abdullah Rafeaie	150,000	-	75,000	225,000

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

	Outstanding as at 1.11.2018	Movement before bonus issue	Movement after bonus issue	Outstanding as at 31.7.2019	Exercisable as at 31.7.2019
2017 option	14,491,000	(5,526,000)	4,482,500 (274,500)	13,173,000	13,173,000
Weighted average exercise price (RM)	2.12	2.12	1.40 1.40	1.40	1.40
Weighted average remaining contractual life (months)	24				15

*Adjustments after bonus issue

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

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

	Weighted average exercise price (RM)	Exercise period
2017 option	2.12	26.4.2017 – 21.12.2018
**Adjustments after bonus issue	1.40	22.12.2018 – 18.10.2020

The fair value of share options granted during the financial period was estimated using the binomial 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)	2.40
Weighted average exercise price (RM)	2.12
Expected volatility (%)	24.82
Expected life (years)	3.48
Risk-free Interest rate (%)	3.73
Expected dividend yield (%)	<u>2.47</u>

b. Dividend Reinvestment Scheme (“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 ordinary shares in CRB (“**CRB Share(s)**”) was approved by the shareholders of CRB at the Tenth (10th) Annual General Meeting, which was convened on 21 April 2015.

On 19 February 2019, CRB announced a single-tier final dividend of 3.90 sen per CRB Share for the financial year ended 31 October 2018 (“**Final Dividend**”), which will be subject to the approval of the shareholders of CRB at the Fourteenth Annual General Meeting which will be convened on 9 April 2019. The Board had also determined that the DRS will apply to the aforesaid dividend.

The shareholders of CRB had on 9 April 2019 approved the declaration of the single-tier final dividend of RM0.039 per CRB Shares for the financial year ended 31 October 2018 and the renewal of the authority to allot and issue new CRB Shares, for the purpose of the DRS of the Company.

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 Malaysia Securities Berhad on 10 April 2019 and was subsequently approved on 17 April 2019.

On 14 May 2019, the Board fixed the issue price of the new CRB Shares to be issued pursuant to the DRS at RM1.42 per CRB Share. The issue price represents a discount of RM0.1080 or approximately 7.07% to the theoretical ex-dividend volume weighted average market price (“**VWAP**”) of approximately RM1.5280, which was arrived at after taking into consideration the five (5)-day VWAP up to and including 13 May 2019, being the last trading day prior to the price fixing date on 14 May 2019 of RM1.5670 per CRB Share and the Final Dividend of RM0.039 per CRB Share.

The Company had on 28 June 2019, allotted and issued 9,159,400 new CRB Shares pursuant to the DRS in respect of the Final Dividend and the DRS had been completed on 1 July 2019 following the listing and quotation of the abovementioned CRB Shares.

B9. Status of corporate proposals – cont'd**c. Private Placement**

On 17 May 2018, the Company announced its proposal to undertake a private placement of up to 28,737,397 new ordinary shares in CRB (“**Placement Shares**”), representing up to ten per cent (10%) of the issued shares of the Company at an issue price to be determined and announced later.

The Placement Shares shall be issued based on a discount, if any, of not more than ten per cent (10%) to the five (5)-day VWAP of CRB Shares immediately preceding the price-fixing date.

The Company submitted the additional listing application to Bursa Securities on 18 May 2018 and obtained the approval from Bursa Securities on 21 May 2018.

On 21 June 2018, the Company announced that the issue price for 11,915,000 Placement Shares, being the first (1st) tranche of the Private Placement, has been fixed at RM2.18 per Placement Share. The issue price represents a discount of RM0.1396 or approximately 6.02% to the 5-day VWAP of the CRB Shares up to and including 20 June 2018, being the last market day immediately preceding the Price-Fixing Date of RM2.3196 per CRB Share. The first (1st) tranche of the Private Placement was completed on 4 July 2018, following the listing of and quotation for 11,915,000 Placement Shares on the even date.

On 4 July 2018, the Company announced that the issue price for 8,608,000 Placement Shares, being the second (2nd) tranche of the Private Placement, has been fixed at RM2.18 per Placement Share. The issue price represents a discount of RM0.1308 or approximately 5.66% to the 5-day VWAP of the CRB Shares up to and including 3 July 2018 of RM2.3108 per CRB Share. The second (2nd) tranche of the Private Placement was completed on 16 July 2018, following the listing of and quotation for 8,608,000 Placement Shares on the even date.

On 20 July 2018, the Company announced that the issue price for 8,214,000 Placement Shares, being the third (3rd) and final tranche of the Private Placement, has been fixed at RM2.28 per Placement Share. The issue price represents a discount of RM0.0965 or approximately 4.06% to the 5-day VWAP of the CRB Shares up to and including 19 July 2018 of RM2.3765 per CRB Share. The Private Placement was completed on 30 July 2018, following the listing of and quotation for 8,214,000 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	Balance		Explanations
	RM	RM		RM	%	
Working capital requirements	62,993,197	62,993,197	18 months	NIL	NIL	Fully utilised
Expenses	474,863	474,863	-	-	-	Fully utilised.
	63,468,060	63,468,060				

B9. Status of corporate proposals – cont'd**d. Bonus Issue**

On 25 October 2018, Public Investment Bank (“PIVB”), on behalf of the Board of Directors of CRB (“Board”), announced that the Company is proposing to undertake the proposed bonus issue of up to 157,151,686 new CRB Shares (“**Bonus Share(s)**”) on the basis of 1 Bonus Share for every 2 existing CRB Shares held on an entitlement date to be determined later (“**Proposed Bonus Issue**”).

On 5 November 2018, PIVB on behalf of the Board announced that Bursa Securities had, vide its letter dated 5 November 2018, approved the listing of and quotation for the Bonus Shares to be issued pursuant to the Proposed Bonus Issue.

The Proposed Bonus Issue was approved at an extraordinary general meeting held on 28 November 2018. The Bonus Issue was completed on 21 December 2018 following the listing of and quotation for 152,669,181 Bonus Shares on the Main Market of Bursa Securities.

B10. Group's borrowings and debts securities

The Group's borrowings and debts securities as at 31 July 2019 are as follows:-

	31 July 2019	31 July 2018
	RM	RM
Short term borrowings		
Secured:-		
Bank overdrafts	3,744,014	4,141,536
Trust receipts	52,013,925	45,559,680
Finance lease	552,545	433,644
Term loans	48,108,320	33,458,320
Revolving credits	138,000,000	38,000,000
	<u>242,418,804</u>	<u>121,593,180</u>
Long term borrowings		
Secured:-		
Finance lease	1,280,573	1,520,714
Term loans	454,808,577	483,442,197
	<u>456,089,150</u>	<u>484,962,911</u>
Total borrowings		
Secured:-		
Bank overdrafts	3,744,014	4,141,536
Trust receipts	52,013,925	45,559,680
Finance lease	1,833,118	1,954,358
Term loans	502,916,897	516,900,517
Revolving credits	138,000,000	38,000,000
	<u>698,507,955</u>	<u>606,556,091</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. **Huls Engineering Sdn. Bhd. (“Plaintiff”) v Cypark Sdn. Bhd. (“Defendant”) (Shah Alam High Court Suit No.: BA-22C-35-07/2017)**

The purported claim dispute between HULS Engineering Sdn Bhd (“HULS”) and Cypark Sdn Bhd (“CSB”) revolves around the “Supply, Delivery and Installation of Geosynthetic Clay Liner and Drainage Layer” between the Plaintiff and the Defendant awarded works vide numerous Letters of Award (“Letters of Award”).

The Plaintiff has filed a civil suit against CSB in Shah Alam High Court claiming, inter alia, for the sum of RM3,079,013.86 being the purported alleged outstanding sum due and payable by the Defendant to the Plaintiff for the Geosynthetic Clay Liner and Drainage Layer supplied and delivered claimed by the Plaintiff to the Defendant.

CSB, as the Defendant through its Advocates & Solicitors, has filed the statement of defence and counterclaim on the 18.08.2017, on the basis that the Defendant has already made payment amounting to RM29,366,991.34 to the Plaintiff to date for all the work done.

Further the statement of defence upholds that the Plaintiff has not complied with the terms and conditions of the Contract and failed to complete the contracted Works. Defendant as a result has suffered losses in carrying out the incomplete Works. As such, the Defendant in its counterclaim has prayed for the court to assess the costs incurred by the Defendant to complete the Works.

Furthermore, the Defendant is contractually entitled to retain retention sums, as stated in its defence. The Defendant also counterclaims Liquidated and Ascertained Damages (LAD) as provided for under the Contract, whereby the LAD of RM3,000.00 per day is calculated on delay from the original completion date under the Contract until the actual completion date of the Subcontract works.

Defendant further claims interests on the counterclaim, costs and any other relief deemed just and fit by the Court.

Subject to deferment by the court, the decision was fixed on 24 September 2018. On 24 September 2018, the High Court allowed the Plaintiff’s claim of RM2,677,357.20. A Notice of Appeal was filed by Defendant to the Court of Appeal on 15 October 2018. In addition, the Defendant has also filed an application for stay of execution of the Judgment pending the disposal of the Appeal.

The Appeal was fixed for case management on 17 June 2019 and the parties have on 24 May 2019 entered into a consent order to stay the execution of the High Court’s judgement pending the Appeal. The next case management is fixed on 25 September 2019 for the application on the supplementary records of appeal to be heard.

B13. Dividends

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

B14. 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 31 July 2019:-

	Individual Quarter		Cumulative Period	
	Current Year Quarter	Preceding Year Quarter	Current Year To Date	Preceding Year To Date
	31 July 2019 RM	31 July 2018 RM	31 July 2019 RM	31 July 2018 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	20,060,140	19,215,093	52,412,342	50,220,849
Weighted average number of ordinary shares for basic earnings per shares computation	458,178,013	391,915,800	458,178,013	391,915,800
Effects of dilution - share options	2,529,380	5,154,555	2,529,380	5,154,555
Weighted average number of ordinary shares for diluted earnings per share computation	460,707,393	397,070,355	460,707,393	397,070,355