



**CYPARK RECORDS REVENUE OF RM312 MILLION FOR FPE2023
RECOGNITION OF ONE-OFF NON-RECURRING IMPAIRMENT TO FOCUS ON FUTURE.**

KUALA LUMPUR, 30th June 2023 – Cypark Resources Berhad (“Cypark” or “the Group”) recorded Revenue of RM312 million for the unaudited financial period ended April 30th 2023 (FPE2023) with the Renewable Energy and Waste Management & Waste-To-Energy (WTE) divisions, the primary revenue contributors. Cypark’s WTE plant, the first in Malaysia located in Ladang Tanah Merah, Negeri Sembilan, was commissioned in December 2022 and is now generating and exporting green energy daily to Tenaga Nasional Berhad. The Cypark LSS2 Solar Project in Sik, Kedah was successfully commissioned in January 2022 and has continued to provide revenue from the export of electricity since commissioning. The recurring revenue from these two concession projects is expected to contribute long-term sustainable cash flow to the Group.

Cypark registered unaudited Loss After Tax of RM262 million for FPE2023, mainly due to the accounting provision of potential liability arising from liquidated ascertained damages (“LAD”) from delays in existing projects, impairment of intangible assets, contract assets and long outstanding receivables; as well as consideration on the prolongation costs to completion totalling RM376 million. The impairment and provisioning were recognised following rigorous position review and assessment performed by the Company over all its assets. The impairment and provision were mainly one-off adjustments and are not expected to recur moving forward.

The Group which has appointed a new auditor for FPE2023, made a one-off accounting adjustment of up to RM376 million with the following provisions:

1. RM91 million arising from LAD. Notwithstanding the LAD provision, Cypark’s clients are in the process of evaluating its application for Extension of Time (“EOT”) and the management believes Cypark is entitled to EOT under the contracts.
2. Impairment of its long outstanding contract assets and trade debtors. The Group had impaired from its book RM103 million of its contract assets and long outstanding receivables for construction projects. However, Cypark continues to actively pursue and recover the outstanding sum from its debtors, including through commencing arbitration procedure.
3. Impairment on intangible assets of RM56 million for the WTE project in Ladang Tanah Merah, Negeri Sembilan and for the development expenditure incurred related to renewable energy.
4. Impairment on assets in progress located at Pajam and Bukit Palong, Negeri Sembilan amounting to RM21 million.
5. The remaining RM105 million is the recognition of the estimation of projects’ prolongation costs to completion due to impact of Covid-19 and severe weather conditions among others.

The above impairments and provisioning are not expected to have any adverse impact on future cash flow, the secured concessions of the Group or the ability of the Group to meet its financial obligations. With regards to the LAD provisioning, the management is currently in active negotiations with its client on its application for the project extension. The delay was mainly caused by force majeure events with precedence approval given for similar circumstances. The Group is positive on obtaining EOT and hence reducing the required LAD.

Besides this, the book also recognised RM23 million for the first-year adoption for the amortisation of intangible assets, using a straight-line method.

The Chair of Cypark, Dato' Ami Moris said, *“The impairment assessment was done in a timely and prudent manner to best reflect the financial position of the Group. It enables the management to focus on completing active projects”*.

Dato' Ami Moris further added, *“Moving forward, we remain focused on delivering active projects, such as the Selgate RM109 million hospital construction contract, LSS2 Floating Solar Project in Danau Tok Uban, Kelantan and LSS3 Solar Project in Merchang, Terengganu. Upon completion, the LSS2 Floating Solar will be the largest floating solar in the world outside China with combined capacity of 60MWac/100MWdc while LSS3 Merchang will become the largest solar farm in the country with 100MWac/171MWdc capacity. Both are targeted to be completed by end of 2023. With this, Cypark will have approximately 400 MW of RE assets under its operational portfolio, maintaining our position as the largest RE player in Malaysia. Whilst focus is to complete active projects, Cypark continues to identify immediate opportunities such as the Corporate Green Power Purchase (“CGPP”) program, the lifting of the export ban on renewable energy, and accelerated energy transition plans by corporates and governments.”*

About Cypark Resources Berhad

Cypark Resources Berhad (“**Cypark**” or the “**Company**”) was listed on the Main Market of Bursa Malaysia Securities Berhad on 15 October 2010 [Stock Name: **CYPARK** Stock Code: **5184**]. Cypark is Malaysia's pioneering developer and provider in integrated renewable energy, construction and engineering, green technology and environmental services, waste management and waste-to-energy (“**WTE**”). The establishment of Cypark is based on sustainable innovation, progress and development in providing a quality living environment through professional engineering and environmentally friendly products, maintenance and services. Expertise, experience and enduring research and development efforts are the essence of its business strategy. The value proposition of the Company lies in optimising resources, costs and investments whilst maximising results, which provides a competitive vantage point. Cost leadership is the core of Cypark’s business activities, which has advanced the Company as the pioneer in the environment and green energy related industry. Energising sustainability is Cypark’s business: economically, environmentally and socially. Cypark is in the business of designing a better future, a cleaner planet and a greener earth for the future generation.