

Unaudited Condensed Consolidated Statements of Comprehensive Income
For the First Quarter ended 31 July 2024

	Individual Quarter		Cumulative Period	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Quarter	To Date	To Date
	31 July 2024	31 July 2023	31 July 2024	31 July 2023
	RM	RM	RM	RM
Revenue	49,817,672	36,518,575	49,817,672	36,518,575
Cost of sales	(50,031,750)	(32,340,334)	(50,031,750)	(32,340,334)
Gross (loss)/profit	(214,078)	4,178,241	(214,078)	4,178,241
Other income	1,493,225	4,003,394	1,493,225	4,003,394
Administrative expenses	(7,136,210)	(695,437)	(7,136,210)	(695,437)
(Allowance for)/reversal of impairment losses on financial assets and contract assets	126,101	1,268,125	126,101	1,268,125
Operating (loss)/profit	(5,730,962)	8,754,323	(5,730,962)	8,754,323
Finance costs	(11,962,050)	(9,998,869)	(11,962,050)	(9,998,869)
Share of results of an associate	(148,350)	(32,650)	(148,350)	(32,650)
Loss before tax	(17,841,362)	(1,277,196)	(17,841,362)	(1,277,196)
Taxation and Zakat	(99,704)	1,836,330	(99,704)	1,836,330
(Loss)/Profit for the quarter/financial year	(17,941,066)	559,134	(17,941,066)	559,134
Other comprehensive income net of tax	-	-	-	-
Total comprehensive (loss)/income for the quarter/year	(17,941,066)	559,134	(17,941,066)	559,134
Total comprehensive (loss)/income attributable to:-				
- Owners of the Company	(18,073,146)	304,509	(18,073,146)	304,509
- Non-controlling interest	132,080	254,625	132,080	254,625
	(17,941,066)	559,134	(17,941,066)	559,134
Loss per share for loss attributable to the owners of the Company (sen per share)				
- Basic	Note B14 (a)	(3.24)	(0.46)	(3.24)
- Diluted	Note B14 (b)	(3.24)	(0.46)	(3.24)

Note:

- The Unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 April 2024 and the accompanying notes attached to the unaudited interim financial statements.

Unaudited Condensed Consolidated Statements of Financial Position as at 31 July 2024

	Unaudited As At 31 July 2024 RM	Audited As At 30 April 2024 RM
ASSETS		
Non-current assets		
Plant and equipment	879,853,295	856,839,372
Right-of-use assets	4,509,847	4,615,819
Intangible assets	904,185,180	916,210,404
Investment in an associates	2,678,887	2,827,237
Other investments	24,000,000	24,000,000
Deferred tax assets	32,176,417	32,180,767
	<u>1,847,403,626</u>	<u>1,836,673,598</u>
Current assets		
Trade and other receivables	112,569,543	108,949,089
Contract assets	798,188,952	795,814,331
Tax assets	10,479,233	10,510,787
Deposits, cash and bank balances	157,295,606	153,481,719
	<u>1,078,533,335</u>	<u>1,068,755,926</u>
Total assets	<u>2,925,936,961</u>	<u>2,905,429,525</u>
LIABILITIES		
Current liabilities		
Loans and borrowings	233,507,114	196,121,839
Lease liabilities	346,099	513,343
Trade and other payables	210,666,564	212,391,272
Tax liabilities	18,511	31,469
	<u>444,538,288</u>	<u>409,057,926</u>
Net current assets	<u>633,995,047</u>	<u>659,698,000</u>
Non-current liabilities		
Loans and borrowings	1,294,094,277	1,291,094,544
Lease liabilities	4,830,434	4,859,030
	<u>1,298,924,711</u>	<u>1,295,953,574</u>
Total liabilities	<u>1,743,462,999</u>	<u>1,705,011,500</u>
Net assets	<u>1,182,473,961</u>	<u>1,200,418,025</u>
EQUITY		
Share capital	602,133,698	602,133,698
Reverse acquisition reserve	(36,700,000)	(36,700,000)
Retained earnings	116,783,004	143,433,952
Equity attributable to owners of the Company	<u>682,216,702</u>	<u>708,867,650</u>
Perpetual Sukuk	517,209,708	508,634,905
Non-controlling interests	(16,952,449)	(17,084,530)
Total Equity	<u>1,182,473,961</u>	<u>1,200,418,025</u>
Total equity and liabilities	<u>2,925,936,961</u>	<u>2,905,429,525</u>
Net assets per share attributable to owners of the Company	1.46	1.48

Note:

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Unaudited Statements of Changes in Equity for the First Quarter ended 31 July 2024

	Non-distributable			Distributable				
	Share capital RM	Share option reserve RM	Reverse acquisition reserve RM	Retained earnings RM	Total RM	Perpetual Sukuk RM	Non-controlling interests RM	Total Equity RM
2025								
Group								
Opening balance at 1 May 2024	602,133,698	-	(36,700,000)	143,433,952	708,867,650	508,634,905	(17,084,530)	1,200,418,025
Total comprehensive income	-	-	-	(18,073,146)	(18,073,146)	-	132,080	(17,941,066)
Perpetual sukuk expenses	-	-	-	-	-	(3,000)	-	(3,000)
Transactions with owners								
Distribution to Perpetual Sukuk holders	-	-	-	(8,577,802)	(8,577,802)	8,577,802	-	-
Total transactions with owners	-	-	-	(8,577,802)	(8,577,802)	8,577,802	-	-
Closing balance at 31 July 2024	602,133,698	-	(36,700,000)	116,783,004	682,216,702	517,209,708	(16,952,449)	1,182,473,961
2024								
Group								
Opening balance at 1 May 2023	585,597,276	1,090,295	(36,700,000)	257,966,287	807,953,857	232,964,113	(17,818,262)	1,023,099,707
Total comprehensive income	-	-	-	304,509	304,509	-	254,625	559,134
Perpetual sukuk expenses	-	-	-	-	-	(22,000)	-	(22,000)
Transactions with owners								
Issue of ordinary shares via:-								
- Exercise of ESOS Options	813,400	(53,400)	-	-	760,000	-	-	760,000
Distribution to Perpetual Sukuk holders	-	-	-	(3,894,568)	(3,894,568)	3,894,568	-	-
Total transactions with owners	813,400	(53,400)	-	(3,894,568)	(3,134,568)	3,894,568	-	760,000
Closing balance at 31 July 2023	586,410,676	1,036,895	(36,700,000)	254,376,227	805,123,798	236,836,681	(17,563,637)	1,024,396,841

Note:

- The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 April 2024 and the accompanying notes attached to the unaudited interim financial statements.

Unaudited Condensed Consolidated Statements of Cash Flows
For the First Quarter ended 31 July 2024

	3 months ended	
	31 July 2024	31 July 2023
	RM	RM
Cash flows from operating activities		
Loss before tax	(17,841,362)	(1,277,196)
Adjustments for:		
Depreciation of plant and equipment	4,906,665	2,326,974
Share of results in associated company	148,350	32,650
Depreciation of right-of-use assets	105,972	137,942
Amortisation of intangible assets	13,625,440	6,105,904
(Allowance for/reversal of impairment losses on financial assets and contract assets)	(126,101)	(1,268,125)
Interest expense	19,275,163	17,568,973
Interest income	(1,009,837)	(1,439,655)
Operating cash flows before changes in working capital	<u>19,084,291</u>	<u>22,187,466</u>
Changes in working capital:		
Trade and other receivables	(3,494,356)	37,070,092
Contract assets	(2,374,621)	(6,014,821)
Trade and other payables	<u>(1,724,710)</u>	<u>(61,276,098)</u>
Cash flows used in operations	11,490,604	(8,033,362)
Tax and Zakat paid	<u>(76,758)</u>	<u>(221,525)</u>
Net cash flows generated from/(used in) operating activities	<u>11,413,847</u>	<u>(8,254,886)</u>
Cash flows from investing activities		
Additions to intangible assets	(1,600,216)	-
Plant and equipment	(27,920,589)	(7,619,285)
Interest received	<u>1,009,837</u>	<u>1,439,655</u>
Net cash flows used in investing activities	<u>(28,510,967)</u>	<u>(6,179,630)</u>
Cash flows from financing activities		
Issuance of ordinary shares via:		
- Exercise of ESOS Options	-	760,000
Perpetual sukuk expenses	(3,000)	(22,000)
Payment of lease liabilities	(626,565)	(523,814)
Revolving credit, net	42,000,000	(9,347,347)
Short term borrowings, net	(2,808,589)	5,082,437
Term loans, net	2,999,733	54,828,356
Interest paid	<u>(18,844,437)</u>	<u>(36,846,775)</u>
Net cash flows generated from financing activities	<u>22,717,142</u>	<u>13,930,857</u>
Net increase/(decrease) in cash and cash equivalents	5,620,022	(503,659)
Cash and cash equivalents at beginning of financial year	<u>150,709,260</u>	<u>152,231,826</u>
Cash and cash equivalents at end of financial year	<u>156,329,282</u>	<u>151,728,167</u>

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

Short term deposits with licensed banks	147,748,804	124,801,368
Cash at banks and in hand	<u>9,546,802</u>	<u>33,203,814</u>
Cash and bank balances	157,295,606	158,005,182
Less: Bank overdrafts	<u>(966,323)</u>	<u>(6,277,015)</u>
	<u>156,329,282</u>	<u>151,728,167</u>

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 30 April 2024 and the accompanying notes attached to the unaudited interim financial statements.*

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JULY 2024
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 30 April 2024. 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 30 April 2024.

A2. Changes in accounting policies

The significant accounting policies and computation methods are consistent with those adopted for the year ended 30 April 2024, except for the adoption of the following new MFRS:

MFRSs, Amendments to MFRSs and IC Interpretation		Effective for annual period beginning on or after
Amendments to MFRS 7	Financial Instruments: Disclosures	1 January 2024
Amendments to MFRS 16	Leases	1 January 2024
Amendments to MFRS 101	Presentation of Financial Statements	1 January 2024
Amendments to MFRS 107	Statement of Cash Flows	1 January 2024

The adoption of the abovementioned 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
Amendments to MFRS 121	The Effects of Changes in Foreign Exchange Rates	1 January 2025
Amendments to MFRS 7	Financial Instruments: Disclosures	1 January 2026
Amendments to MFRS 9	Financial Instruments	1 January 2026
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 10	Consolidated Financial Statements	<i>Deferred</i>
Amendments to MFRS 128	Investments in Associates and Joint Ventures	<i>Deferred</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.

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 30 April 2024.

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

Unless otherwise disclosed in the Notes B1 and B2, there were no significant unusual items affecting the assets, liabilities, equity, net income or cash flow during the financial quarter under review.

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 under review.

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 under review.

A8. Dividends paid

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

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A9. Segmental Information

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

	Renewable Energy RM	Construction & Engineering RM	Green Tech & Environmental Services RM	Waste Management & Waste-To-Energy RM	Elimination RM	Total RM
3 months ended 31 July 2024						
Revenue						
Sale to external customers	23,030,685	13,479,811	584,154	12,723,022	-	49,817,672
Inter-segment sales	49,851,750	-	-	-	(49,851,750)	-
Total revenue	72,882,435	13,479,811	584,154	12,723,022	(49,851,750)	49,817,672
Results						
Profit/(Loss) before tax	(2,944,091)	1,048,605	(724,871)	(15,221,005)	-	(17,841,362)
Income tax and zakat expenses						(99,704)
Loss net of tax						(17,941,066)
3 months ended 31 July 2023						
Revenue						
Sale to external customers	21,685,685	3,761,391	1,069,525	10,001,973	-	36,518,575
Inter-segment sales	6,858,083	-	-	-	(6,858,083)	-
Total revenue	28,543,768	3,761,391	1,069,525	10,001,973	(6,858,083)	36,518,575
Results						
Profit/(Loss) before tax	1,848,416	1,242,466	1,783,997	(6,152,075)	-	(1,277,196)
Income tax and zakat expenses						1,836,330
Profit net of tax						559,134

A10. Valuation of property, plant and equipment

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

A11. Capital commitments

Save as disclosed below, there was no capital commitment as at 31 July 2024: -

Capital expenditure

Approved and contracted for:-

- Plant and equipment

RM

33,000,000

A12. Material events subsequent to the end of the financial quarter.

Save as disclosed below, there were no material events subsequent to the end of the current financial quarter up to 24 September 2024, 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 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 July 2024
	RM
Secured:	
- Performance bond/tender bond guarantees favouring Government/ Statutory bodies for various projects	1,310,365
- Bank guarantees extended to Government Bodies/Companies for various projects	172,341,177
- Bank guarantees extended to third parties in respect of various projects of the Group	381,559
- Letter of credits given to suppliers for purchase of materials	616,925
	<u>174,650,026</u>
Unsecured:	
- Corporate guarantees given to banks for credit facilities granted to subsidiaries	1,359,942,850
	<u>1,359,942,850</u>
TOTAL	<u>1,534,592,876</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

There was no significant related party transactions during the current financial quarter under review.

B1. Analysis of performance**Current Quarter ended 31 July 2024 vs Previous Quarter ended 31 July 2023**

The Construction and Engineering division significantly boosted the Group's financial performance, contributing RM49.8 million in revenue for 1Q2025, up from RM36.5 million in 1Q2024. This increase is largely due to advancements in the hospital construction project and steady revenue from existing solar plants. Notably, the Group also began generating revenue from its LSS3 plant in Terengganu, which reached Commercial Operational Date (“COD”) on June 9, 2024.

As we move forward, the transition of secured LSS2 projects from the Construction phase to the Operation & Maintenance (O&M) phase is anticipated to further strengthen the Group's revenue streams. With revenue from these projects projected over the next 21 years, the Group can expect consistent inflows, bolstering its financial stability in the long term.

In 1Q2025, the Group reported a loss after tax of RM17.9 million, a significant decline from a profit before tax of RM0.56 million in 1Q2024. This downturn is largely due to decreased electricity sales in the Waste Management & Waste-To-Energy division, which experienced unscheduled downtime for essential rectification work, leading to increased costs that impacted the Group's bottom line. Once the rectification work is completed in 2Q2025, the plant is expected to operate more efficiently, resulting in increased revenue from electricity generation. This upgrade will enhance operational capabilities and positively impact the overall profitability of the plant.

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

Renewable Energy

In 1Q2025, revenue increased to RM23.0 million, up from RM21.7 million in the previous quarter ending 1Q2024. This growth was primarily driven by electricity sales from the newly completed large-scale solar project in Terengganu, which became operational on June 9, 2024. The Group anticipates that this plant will positively impact future revenue, earnings, and cash flows throughout the concession period. The division reported a loss before tax of RM2.9 million for the current quarter, primarily driven by increased administration costs, particularly related to an one-off marketing and promotional event expenses incurred during this period.

Construction & Engineering

In 1Q2025, revenue in this division rose by RM9.7 million to RM13.5 million, up from RM3.8 million in 1Q2024, primarily due to accelerated progress on the Hospital Rawang construction project. The division recorded a profit before tax of RM1.0 million for the current quarter, slightly down from RM1.2 million in 1Q2024.

Green Tech & Environmental Services

In 1Q2025, revenue in this division fell by 45.4%, or RM0.5 million, to RM0.6 million, down from RM1.1 million in 1Q2024. This decline was primarily due to an unscheduled downtime for the repair of the biogas engine. Revenue mainly derives from energy sales from the 1.55MW palm oil mill effluent biogas plant in Kg Gajah, Perak. The plant will continue to sell energy to Tenaga Nasional Berhad (“TNB”) under a long-term renewable energy power purchase agreement (“REPPA”) signed with TNB. Consequently, this division reported a loss before tax of RM0.7 million in 1Q2025, compared to a profit of RM1.8 million in 1Q2024.

Current Quarter ended 31 July 2024 vs Previous Quarter ended 31 July 2023-cont'd**Waste Management & Waste-To-Energy**

In 1Q2025, this division recorded revenue of RM12.7 million and a loss before tax of RM15.2 million, compared to RM10.0 million in revenue and RM6.1 million in loss before tax in 1Q2024. The increase in loss were primarily due to temporary unscheduled downtime at the Waste-to-Energy (WTE) plant for ongoing rectification and repair works, which are expected to be completed by end of September 2024.

The management is in close discussions with relevant authorities regarding an increase in the tipping fee and have thus far received encouraging feedback. With the anticipated increase in tipping fee, secured and recurring inflows from the project are expected to benefit the Group over the long term, with margins set to improve once the plant stabilizes.

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

The Group's revenue for 1Q2025 declined by RM6.4 million, or 11.4%, to RM49.8 million, compared to RM56.2 million in the immediate preceding quarter in 4Q2024. This drop in performance was mainly due to lower revenue from the Waste-to-Energy plant, which experienced unscheduled downtime since mid-April 2024, and expected to last until early October 2024. Additionally, the lower revenue in 1Q2025 was primarily driven by lower progress billings in construction works for the hospital located in Rawang.

Administrative expenses in 1Q2025 were higher compared to 4Q2024, largely due to one-off costs associated with marketing activities and the Group's strategic review exercise. Consequently, the Group reported a loss before tax of RM17.8 million for the current quarter, compared to a loss of RM17.6 million in 4Q2024. The increased loss was primarily due to additional costs incurred from the rectification works at both the Waste-to-Energy plant and the biogas plant in Perak. With the completion of the rectification of these plants in 2Q2025, the Group expect a more robust financial performance moving forward.

B3. Prospects for the Current Financial Year

With the Malaysian Government's agenda to boost the RE proportion of the country's total energy mix, the industry is transforming and rapidly growing. Cypark has anticipated various opportunities as well as challenges with the forthcoming expansion such as the potential increase in the number of industry players which may create competition.

While we continue to focus on completing our current projects within 2024, we are also selectively venturing into new projects. In realising our target of reaching a capacity goal of 800MW by 2027, we are proactively identifying expansion and diversification opportunities in the industry. Our priority lies on RE businesses including large scale solar power, biogas, biomass and WTE projects which will enable us to tap into clean and sustainable energy sources while we continue to play our significant role in decreasing GHG emissions.

Cypark also provides services to smaller-scale projects including rooftop solar, hybrid solar projects, biogas and biomass as it allows us to cater to more customers and diversify our RE production. In the pipeline, our new projects include the construction of NEM rooftop projects for tier one financial institutions, government agencies, hotels and many more. We are also expanding our business opportunities by scouting for projects with state-owned entities and companies nationwide, representing a strong indication of our commitment to capitalize on our expertise and emerging markets in all states.

Our endeavour for business expansion in the RE industry is further bolstered by the Government's introduction of various schemes including the Corporate Green Power Programme ("CGPP") and upcoming Corporate Renewable Energy Supply Scheme ("CRESS"). Furthermore, the emphasis on battery solutions within RE which is the Battery Energy Storage System ("BESS"), affords Cypark with more engagement opportunities in energy storage initiatives. Our footprint also spans beyond Malaysia as we support local companies in Asian and Middle Eastern and North African (MENA) region countries in the execution of their RE projects. These collaborations signify our aim to utilise our proficiency and experience in the RE sector to play a contributing role in the global transition towards sustainable energy.

Cypark's focus also remains on waste management particularly in Waste-to-Energy ("WTE") as the Government focuses on a green economy, recycling of waste and implementing a circular economy towards a more sustainable future for Malaysians as part of the National Energy Transition Roadmap ("NETR") to accelerate Malaysia's energy transition, supporting Malaysia 12th Plan which outlines aspirations for the nation to achieve net zero emissions by 2050 as well as the National Energy Policy (DTN) which aspires Malaysia to become a low carbon nation in 2040. Cypark's track record remains as Malaysia's first and leading solar energy developer and the only operator of a Municipal Solid Waste ("MSW") WTE plant in Ladang Tanah Merah, Negeri Sembilan with capacity of 15 MW. These strengths and rich experience stand us in good stead to win more WTE projects in the future, locally and regionally.

Renewable Energy

At present, Cypark constructs, operates, owns, and/or manages approximately 300 MW of RE assets. The COD of 100 MW LSS3 project in Terengganu in June 2024 and 60 MW LSS2 projects in Kelantan by the fourth quarter of year 2024 further strengthen Cypark's position as the RE market leader in Malaysia. The 30 MW LSS2 project in Sik, Kedah successfully achieved COD on 1 January 2022. With the impending completion of the LSS2 project, RE will remain as the major contributor to Cypark's recurring revenue and profit in the year 2025.

Cypark also looks into ways to expand its reach in RE, both locally and internationally, among which through collaboration with state owned entities. To this end, we had entered into a Memorandum of Business Exploration ("MOBE") with RGFC Ventures Sdn Bhd ("RGFC") on 1 August 2023 to collaborate for the purposes of implementing solar energy solutions across the state of Selangor, focusing in floating solar and residential/home solar to reduce reliance on conventional energy sources in delivering Selangor's state energy transition initiatives.

B3. Prospects for the Current Financial Year-cont'd**Renewable Energy-cont'd**

Under the GREEN MADANI initiatives, the Government introduced the new Corporate Renewable Energy Supply Scheme (“CRESS”) on July 2024 which would allow RE producers and qualified corporate users to enter into green power supply agreements on mutually agreed terms using the current supply system. The usage of Battery Energy Storage System (“BESS”) into the installation of Solar Plants would have an effect on the system access charge under the CRESS program which aims to stabilize firm outputs by RE producers and thus solves any electricity excess generated by the RE producers. The CRESS program offers reliable and consistent green electricity supply while providing flexibility for choosing energy sources such as green energy. It also allows participants to hedge against future fluctuations in green electricity rates and negotiate pricing directly with RE producers. Additionally, this program supports compliance with ESG targets, helping organizations achieve their sustainability goals. Further guidelines to the CRESS program will be announced by Q4 2024.

With the recent Government’s announcement on the National Energy Transition Plan (“NETR”), which supports the government's goal of boosting renewable energy capacity from the current 26 percent (10.6 GW) to 40 percent by 2035 and 70 percent by 2050, aiming to decrease reliance on fossil fuels from coal and gas. Through collaboration with other solar developer(s), partner(s), major equipment supplier(s) as well as the electricity offtaker(s), Cypark remains intact in its aspiration to grow its business beyond Peninsular Malaysia whereby Cypark is also looking into ways to participate in the cross-border electricity sales to Singapore.

Construction & Engineering

With the award of the construction of a 10-storey private hospital along with a 6-storey parking facility at Sungai Bakau, Mukim Rawang, Selangor Darul Ehsan on 19 April 2023, Cypark is aggressively pursuing other construction projects in the country through its participation in tenders as well as through direct proposals.

The civil engineering subsector will continue to be the main driver of the construction sector. Cypark continues to intensify its efforts and resources to secure more projects in construction of infrastructure, landscaping, residential and commercial buildings with its proven experience and credibility.

Green Technology & Environmental Services

Additionally, Cypark has incorporated the small scale solar for Commercial & Industry (“C&I”) sector in year 2024 under the NEM initiative. We provide solutions to organizations for their ESG Initiative to reduce their carbon footprint by installing solar panels on the organization rooftops based on the capacity needed for their electricity usage. Furthermore, organizations are able to benefit from its solar investment tax allowance from MIDA or the Malaysian Green Tech Corporation (“MGTC”) to encourage organizations to go green.

Waste Management & Waste-to-Energy (“WTE”)

The SMART WTE project in Ladang Tanah Merah, Negeri Sembilan achieved its Commercial Operation Date (“COD”) and started its sales of green energy from waste to TNB on 14 December 2022. This integration of Solid Waste Advance Recovery and Treatment facilities (SMART) together with the WTE plant is the first of its kind in this region and it is expected to contribute circa RM80 million per annum in revenue.

Encouraged by Cypark’s successful commissioning of the only operational WTE in the country, Cypark plans to actively participate in future WTE tenders that would be announced by Kementerian Perumahan dan Kerajaan Tempatan under its national WTE implementation plan. With the track record of successfully designing, constructing, commissioning, and operating the country’s first WTE plant in Negeri Sembilan, Cypark stands highly favourable to win more WTE projects in the future. Cypark expects future WTE plant capacities to be between 15MW and 25MW with an expected investment value of above RM500 million each.

B3. Prospects for the Current Financial Year-cont'd**Biomass and Biogas**

Looking ahead, Cypark is looking into opportunities to develop more biogas and biomass projects to increase portfolio capacities. As Malaysia is the second largest palm oil producers in the world behind Indonesia, the country has over 420 operating palm oil mills which translates to a potential of 450 – 500 MW of electricity generated from palm oil waste of Empty Fruit Bunches (“EFB”). Apart from that, Biogas could also be derived from these palm oils which could translate a further 200 – 300 MW generated by methane capture. The holistic approach innovated by Cypark will make both the products sold (biomass and biogas from palm oil waste) and the production process using these resources to be environmentally sustainable, hence promoting a true circular economy in the palm oil industry. Cypark is looking to expand its reach in renewable energy by developing few biomass plants by strategically working with the nation’s top palm oil producers.

B5. Loss before tax

	Individual Quarter		Cumulative Period	
	Current Year Quarter 31 July 2024	Preceding Year Quarter 31 July 2023	Current Year To Date 31 July 2024	Preceding Year To Date 31 July 2023
Loss before tax is stated after crediting:-				
Financing revenue arising from contracts with customers	9,222,534	9,555,426	9,222,534	9,555,426
Interest income	1,009,837	1,439,655	1,009,837	1,439,655
Other income (including investment income)	483,388	2,563,739	483,388	2,563,739
(Allowance for)/reversal of impairment losses on financial assets and contract assets	126,101	1,268,125	126,101	1,268,125
Loss before tax is stated after charging:-				
Interest expenses	19,275,163	17,568,973	19,275,163	17,568,973
Amortisation of intangible assets	13,625,440	6,105,904	13,625,440	6,105,904
Depreciation of right-of-use assets	105,972	137,942	105,972	137,942
Depreciation of plant and equipment	4,906,665	2,326,974	4,906,665	2,326,974

B6. Income tax expense

	Individual Quarter		Cumulative Period	
	Current Year Quarter 31 July 2024 RM	Preceding Year Quarter 31 July 2023 RM	Current Year To Date 31 July 2024 RM	Preceding Year To Date 31 July 2023 RM
Taxation and Zakat				
- Income tax Current	5,946	671,893	5,946	671,893
- Overprovision in prior year	89,408	-	89,408	-
Deferred tax	4,350	(2,508,223)	4,350	(2,508,223)
	<u>99,704</u>	<u>(1,836,330)</u>	<u>99,704</u>	<u>(1,836,330)</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. 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 scheme was originally for a duration of five (5) years but was extended many times by the companies with the most recent being on 30 June 2022 that the Company had announced that the duration of the ESOS Scheme to be extended to 30 June 2024.

After the expiry on 30 June 2024, the Company did not further announce the extension of the ESOS scheme and hence the ESOS scheme was expired.

B10. Group's borrowings and debts securities

The Group's borrowings and debts securities as at 31 July 2024 are as follows:-

	31 July 2024	30 April 2024
	RM	RM
Short term borrowings		
Secured:-		
Bank overdrafts	966,323	2,772,459
Trust receipts	7,268,599	10,077,188
Bond - Sukuk Murabahah	19,107,243	19,107,243
Term loans	93,664,949	93,664,949
Revolving credits	112,500,000	70,500,000
	<u>233,507,114</u>	<u>196,121,839</u>
Long term borrowings		
Secured:-		
Term loans	822,226,379	799,529,472
Bond - Sukuk Murabahah	471,867,899	491,565,072
	<u>1,294,094,277</u>	<u>1,291,094,544</u>
Total borrowings		
Secured:-		
Bank overdrafts	966,323	2,772,459
Trust receipts	7,268,599	10,077,188
Term loans	915,891,328	893,194,421
Revolving credits	112,500,000	70,500,000
Bond - Sukuk Murabahah	490,975,141	510,672,315
	<u>1,527,601,392</u>	<u>1,487,216,383</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) In the Matter of An Arbitration Pursuant to the Arbitration Rules of the Asian International Arbitration Centre and the Arbitration Act 2005

Claimant : Cypark Resources Berhad
Respondent : The Government of Malaysia & 3 Ors.

On 19.05.2022, Cypark Resources Berhad (“**CRB**”) issued a Notice of Arbitration against the Government of Malaysia, Kementerian Perumahan dan Kerajaan Tempatan, Jabatan Pengurusan Sisa Pepejal Negara and Ketua Pengarah, Jabatan Pengurusan Sisa Pepejal Negara (“**the Respondents**”) pursuant to Clause 67.0 of the Standard Form of Design and Build Contract PWD Form DB (Rev. 2007), Contract No. KPKT/JPSPN/1001/18/2009 of 2009 for *Projek Penutupan Selamat dan Pemulihan 16 Tapak Pelupusan Sisa Pepejal di Semenanjung Malaysia* (“**the Contract**”).

CRB is claiming against the Respondents for, among others, the following reliefs: -

- a) Extension of Time (“**EOT**”) for the Contract from 30.11.2014 until the Certificate of Practical Completion i.e. 23.12.2015 for 388 days;
- b) Loss and Expenses for the EOT Period amounting to RM61,339,616.73; and
- c) Release of the remaining balance of the withheld Liquidated Ascertained Damages (“**LAD**”) amounting to RM2,655,651.00.

The Respondents served their Response to the Notice of Arbitration on 22.08.2022 by claiming, among others, as follows:-

- a) The Respondents were still conducting the assessment over documents submitted by CRB for the loss and expense claim;
- b) The Respondents are entitled to deduct LAD sum due to the following reasons:-
 - i) CRB failed to complete the works on the date of completion;
 - ii) The Certificate of Delay and EOT were issued subsequent to the commencement of the EOT period.

On the 22 February 2024, a preliminary meeting with the Arbitrator was fixed for further directions on filing the cause papers, however postponed by the Arbitrator.

Subsequently another date for preliminary hearing was fixed on 27 May 2024 to receive directions but has been vacated again with no new dates fixed yet.

B12. Material Litigation-cont'd**(B) KNM Process Systems Sdn Bhd (Plaintiff) v. Cypark Sdn Bhd (Defendant) Shah Alam High Court Originating Summons No. 24C(ARB)-2-02/2020 (Court of Appeal Appeal No. B-02(C)(A)-551-03/2020, B-02(IM)(C)-552-03/2020, B-02(C)(A)-581-04/2020 & B-02(C)(A)-579-04/2020)**

This case is pertaining to an Injunction application filed by KNM for Advance Payment Guarantee No. 07101IGK1601144 and Performance Security No. 06702153310001 (“the said Bonds”) issued by KNM in favour of Cypark for the Waste to Energy (WTE) Project in Ladang Tanah Merah amounting to RM26,600,000. Due to the default by KNM and subsequently the termination of the contract, Cypark called upon the said Bonds and demanded for the proceeds of the same to be released to Cypark. On 14 February 2020, KNM filed an Injunction application to restrain Cypark/agent/employees from receiving the proceeds from the said Bonds. On 23 March 2020, the Court allowed the Injunction application.

Subsequently Cypark applied and the Court ordered to vary the order of the Injunction whereby KNM shall extend the said Bonds until the conclusion of the arbitration or alternatively until the disposal of all appeal(s).

During the case management fixed on 18 December 2023, parties’ respective counsels updated the Court that the written Grounds of Judgment from the Court of Appeal was yet to be received.

On 22 February 2024, parties’ respective counsels informed the Court that they had not received the Grounds of Judgement from the Court of Appeal. A further case management was fixed on 11 March 2024 to update the Court on the restraining order by KNM and the Grounds of Judgement.

Court had fixed another case management on 20 March 2024 and 21 March 2024 for monitoring of documents and filing of written submissions and bundle of documents.

The Federal Court hearing scheduled on 05 April 2024 was vacated due to KNM’s filing of the Restraining Order. On 29 August 2024 court fixed hearing date on 09 September 2024 to hear Cypark’s Leave Application. On 09 September 2024, it was recorded for Cypark to proceed with the appeal at the Federal Court.

B13. Dividends

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

B14. Loss per share

The following reflect the loss after taxation and weighted average number of share used in the computation of basic and diluted losses per share for the quarter ended 31 July 2024: -

- (a) Basic loss per share amounts are based on loss for the financial quarter year attributable to owners of the Company (after adjusting for distribution to holders of perpetual sukuk) and the weighted average number of ordinary shares in issue during the financial quarter/period, calculated as follows:

	Individual Quarter		Cumulative Period	
	Current Year Quarter 31 July 2024 RM	Preceding Year Quarter 31 July 2023 RM	Current Year To Date 31 July 2024 RM	Preceding Year To Date 31 July 2023 RM
Loss net of tax, representing total comprehensive income attributable to owners of the Company	(18,073,146)	304,509	(18,073,146)	304,509
Distribution to holders of perpetual sukuk	(8,577,802)	(3,894,568)	(8,577,802)	(3,894,568)
	<u>(26,650,948)</u>	<u>(3,590,059)</u>	<u>(26,650,948)</u>	<u>(3,590,059)</u>
Weighted average number of ordinary shares for basic earnings per shares computation	822,827,635	784,167,635	822,827,635	784,167,635
Basic loss per ordinary share (sen)	<u>(3.24)</u>	<u>(0.46)</u>	<u>(3.24)</u>	<u>(0.46)</u>

- (b) Diluted loss per share are based on the loss for the financial quarter attributable to owners of the Company (after adjusting for distribution to holders of perpetual sukuk) and the weighted average number of ordinary shares outstanding during the financial quarter plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares, calculated as follows:

	Individual Quarter		Cumulative Period	
	Current Year Quarter 31 July 2024 RM	Preceding Year Quarter 31 July 2023 RM	Current Year To Date 31 July 2024 RM	Preceding Year To Date 31 July 2023 RM
Loss net of tax, representing total comprehensive income attributable to owners of the Company	(18,073,146)	304,509	(18,073,146)	304,509
Distribution to holders of perpetual sukuk	(8,577,802)	(3,894,568)	(8,577,802)	(3,894,568)
	<u>(26,650,948)</u>	<u>(3,590,059)</u>	<u>(26,650,948)</u>	<u>(3,590,059)</u>
Weighted average number of ordinary shares for basic earnings per shares computation	822,827,635	784,167,635	822,827,635	784,167,635
Effects of dilution - share options	-	3,337,709	-	3,337,709
Weighted average number of ordinary shares for diluted earnings per share computation	822,827,635	787,505,344	822,827,635	787,505,344
Diluted loss per ordinary share (sen)	<u>(3.24)</u>	<u>(0.46)</u>	<u>(3.24)</u>	<u>(0.46)</u>