ENERGISING A SUSTAINABLE FUTURE

ANNUAL REPORT 2020

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ENERGISING A SUSTAINABLE FUTURE

As Malaysia's pioneering developer and provider of green energy solutions, Cypark Resources Berhad (Cypark) is committed to harness sustainable innovation, progress and development in providing quality living environments for the good of all.

This year's cover adds energy through a dynamic perspective of solar panels. At the foreground, a hand cradling a globe from which flora and fauna emerges, reflects the environmental focus of the Company. The four business sectors are captured by the coloured squares within which the respective icons are featured.

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Please visit www.crbenv.com or scan the QR Code to download the 2020 Annual Report

Who We Are

Cypark Resources Berhad is a public listed company on the Main Board of Bursa Malaysia since 2010. We are Malaysia's pioneering developer and provider in integrated renewable energy, green technology, environmental engineering solutions, and construction engineering.

Cypark's establishment is based on sustainable innovation, progress, and development in providing quality living environment through top-notch professional engineering and environmentally friendly products, maintenance, and services. Expertise, experience and enduring research and development efforts are the essence of our business strategy and transformation.

Cypark's value proposition lies in optimising resources, minimising cost and investment, and maximising results, which gives us the competitive vantage point. Cost leadership is the core of Cypark's business activities, which has advanced us as the pioneer in the environmental related industry.

Energising sustainability is Cypark's business: environmentally, economically, and socially. It is the business of designing a better future, a cleaner planet, a greener earth for the future generation.

At A Glance

Revenue
RM304.00 million

Adjusted EBITDA
RM149.33 million

Profit After Tax
RM70.65 million

Net Asset
RM950.54 million

Sanitary Landfill Receiving Waste Capacity
1,000 Tonnes Per Day

Avoidance of Carbon Dioxide Equivalence (Co$_2$ Eq) from 2013-2020
237,704.13 Tonnes

Coal Fire Avoidance from 2013 – 2020
42,316.51 Tonnes

Renewable Energy Generation from 2013 to 2020
344,498.74 MWh

Capacity of Renewable Energy from Solar Project
217 MWp (by 2021)
47.17 MWp (2020)

Waste-to-Energy Plant Processed Waste Capacity
600 Tonnes Per Day

Who We Are

Vision

To provide world-class professional engineering and renewable products and services through smart application of environmental science, technology and methodologies, resulting in innovative, practical and cost-effective solutions.

Mission

To enhance the quality of living environment. We are a team of multi-disciplinary professionals committed to providing quality services beyond our clients' expectations and work towards the best interests of our stakeholders through continuous improvement of our skills.

Philosophy

We will continue to be a client focused and people-orientated organisation providing technically well-founded and innovative Environmental Solutions of the highest quality.

Values

Compassion

Honesty, care, attention, and maintenance for the environment and more importantly, the people

Quality

Enhanced living quality through superior services

Teamwork

Solidified human capital towards the Company's philosophy, vision, and mission

Professionalism

Fostered performance through integrity and commendable work ethics

Diligence

Energised commitment in execution, products, and services

Consistency

Constant innovation, professionalism, and delivery

Corporate Information

BOARD OF DIRECTORS

Tan Sri Razali bin Ismail
Executive Chairman
Non-Independent Executive Director

Dato' Daud bin Ahmad
Group Chief Executive Officer
Non-Independent Executive Director

Dato' Dr. Freezailah bin Che Yeom
Independent Non-Executive Director

Encik Headir bin Mahfidz
Independent Non-Executive Director

Encik Megat Abdul Munir bin Megat Abdullah Rafaie
Independent Non-Executive Director

Datuk Abdul Malek bin Abdul Aziz
Independent Non-Executive Director

AUDIT COMMITTEE

Chairman
Dato' Dr. Freezailah bin Che Yeom

Members
Encik Headir bin Mahfidz
Encik Megat Abdul Munir bin Megat Abdullah Rafaie

NOMINATION COMMITTEE

Chairman
Dato' Dr. Freezailah bin Che Yeom

Members
Encik Headir bin Mahfidz
Encik Megat Abdul Munir bin Megat Abdullah Rafaie

RISK MANAGEMENT COMMITTEE

Chairman
Datuk Abdul Malek bin Abdul Aziz

Members
Encik Headir bin Mahfidz
Encik Megat Abdul Munir bin Megat Abdullah Rafaie

REMUNERATION COMMITTEE

Chairman
Dato' Dr. Freezailah bin Che Yeom

Members
Tan Sri Razali bin Ismail
Datuk Abdul Malek bin Abdul Aziz

COMPANY SECRETARIES

Chua Siew Chuan (MAICSA 0777689)
SSM PC No. : 201908002648

Yeow Sze Min (MAICSA 7065735)
SSM PC No. : 201908003120

CORPORATE OFFICE

Unit 13A-09, Block A
Phileo Damansara II
No. 15, Jalan 16/11, 46350 Petaling Jaya
Selangor Darul Ehsan
Tel: 03-7660 6170
Fax: 03-7660 6169
Website: www.crbenv.com

REGISTERED OFFICE

Level 7, Menara Milenium
Jalan Damanlela, Pusat Bandar Damansara
Damansara Heights, 50490 Kuala Lumpur
Tel: 03-2084 9000
Fax: 03-2094 9940

SHARE REGISTRAR

Securities Services (Holdings) Sdn Bhd
[197701005827 (36869-T)]
Level 7, Menara Milenium
Jalan Damanlela, Pusat Bandar Damansara
Damansara Heights, 50490 Kuala Lumpur
Tel: 03-2084 9000
Fax: 03-2094 9940

AUDITORS

MAZARS PLT (AF001954)
(LLP0010622-LCA)
Chartered Accountants
Wisma Golden Eagle Realty
11th Floor, South Block,
142-A Jalan Ampang
50450 Kuala Lumpur
Tel: 03-2702 5222

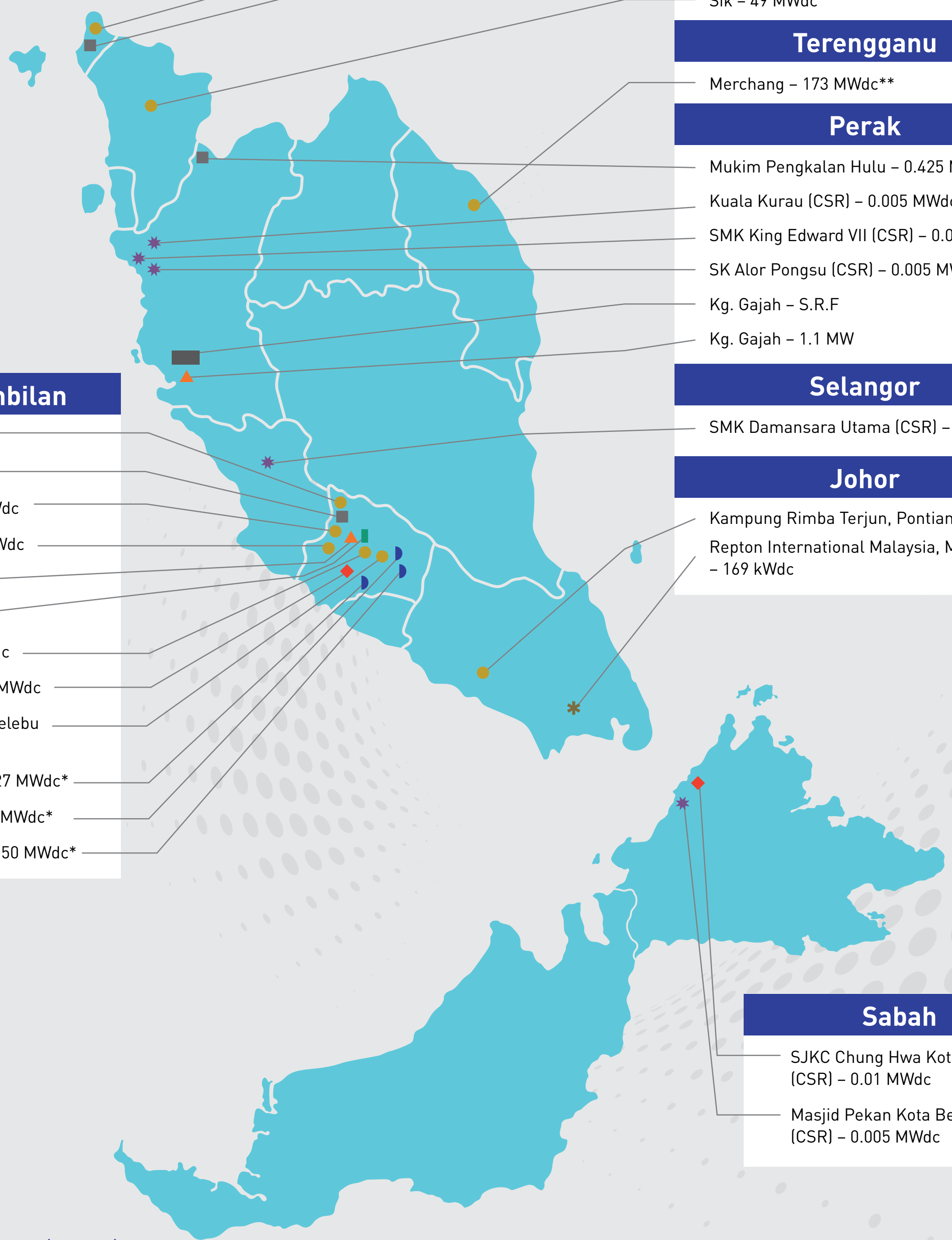
PRINCIPAL BANKERS

- Malayan Banking Berhad
  [196001000142 (3813-K)]
  Menara Maybank
  100, Jalan Tun Perak
  50050 Kuala Lumpur
  Tel: 03-2070 8833
- OCBC Bank (Malaysia) Berhad
  [199401009721 (295400-W)]
  Menara OCBC
  18, Jalan Tun Perak
  50050 Kuala Lumpur
  Tel: 03-2034 5034
- Standard Chartered Saadiq Berhad
  [200801022118 (823437-K)]
  Menara Standard Chartered
  30, Jalan Sultan Ismail
  50250 Kuala Lumpur
  Tel: 03-2117 7726
- Kuwait Finance House (Malaysia) Berhad
  [200401033666 (672174-T)]
  Level 26, Menara Prestige
  No.1, Jalan Pinang, P.O. Box 10103
  50450 Kuala Lumpur
  Tel: 03-2168 0000
- RHB Islamic Bank Berhad
  [200501003283 (680329-V)]
  RHB Centre, Jalan Tun Razak
  50400 Kuala Lumpur
  Tel: 03-2780 7880
- Alliance Islamic Bank Berhad
  [200701018870 (776882-V)]
  Menara Multi-Purpose
  Capital Square
  8 Jalan Munshi Abdullah
  50100 Kuala Lumpur
  Tel: 03-2694 8800

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
(Main Market)
Stock Name: CYPARK
Stock Code: 5184

Cypark RE Project List



Perlis
- Kuala Perlis – 6 MWdc
- Kuala Perlis – 1.075 MWdc

Kedah
- Sik – 49 MWdc

Terengganu
- Merchang – 173 MWdc**

Perak
- Mukim Pengkalan Hulu – 0.425 MWdc
- Kuala Kurau (CSR) – 0.005 MWdc
- SMK King Edward VII (CSR) – 0.005 MWdc
- SK Alor Pongsu (CSR) – 0.005 MWdc
- Kg. Gajah – S.R.F
- Kg. Gajah – 1.1 MW

Selangor
- SMK Damansara Utama (CSR) – 0.005 MWdc

Johor
- Kampung Rimba Terjun, Pontian – 2 MWdc
- Repton International Malaysia, Masai – 169 kWdc

Negeri Sembilan
- Pajam – 13 MWdc
- Pajam – 0.1 MWdc
- Port Dickson – 11 MWdc
- Kuala Sawah – 5.3 MWdc
- LTM – 5 MWdc*
- LTM – 20 MWdc*
- Bukit Palong – 3 MWdc
- Bukit Palong – 0.016 MWdc
- Mukim Glami Lemi, Jelebu – 4.3 MWdc
- Empangan Sepri – 0.27 MWdc*
- Empangan Terip – 50 MWdc*
- Empangan Kelinchi – 50 MWdc*

Sabah
- SJKC Chung Hwa Kota Belud (CSR) – 0.01 MWdc
- Masjid Pekan Kota Belud (CSR) – 0.005 MWdc

Total: 217 MWp (2021)
47.17 MWp (2020)

Ground Mounted	Floating Solar	Agriculture Integrated PV	* 2021
Building Integrated PV	Biogas/Biomass	Waste-to-Energy	** 2022
Net Energy Metering	Solid Recovered Fuel	Retrofit	

Project Highlights

1. Ground Mounted Solar Plant Sik, Kedah (49 MWdc)

1

Project Highlights

2. Solid Waste Modular Advance Recovery and Treatment Waste-to-Energy (SMART WTE) Plant
3. Waste Segregation Facility (WSF)
4. Fully Anaerobic Bioreactor System (FABIOS)

2

3

4

Project Highlights

5. Ground Mounted Solar Plant Jelebu, Negeri Sembilan (4.3 MWdc)
6. Ground Mounted Solar Ladang Tanah Merah, Negeri Sembilan (11 MWdc)
7. Ground Mounted Solar Plant Pajam, Negeri Sembilan (13 MWdc)
8. Agriculture Integrated Photovoltaic (AIPV) System


5


6


7


8

Project Highlights

9. Solid Recovered Fuel (SRF)
10. Biomass Solid Fuel
11. Landfill Restoration
12. Leachate Treatment Plant
13. Waste Water Management

Awards & Accolades

1. **National Energy Awards**
   - Winner for On-Grid (National Grid) for 2019 (Category 2 – Renewable Energy)

2. **Asian Power Awards**
   - Innovative Power Technology of the Year – Malaysia 2018
   - Environmental Upgrade of the Year – Malaysia 2018
   - Solar Power Project of the Year – Malaysia 2018
   - Gold Award for Solar Power Project of the Year 2016
   - Silver Award for Environmental Upgrade of the Year 2016
   - Award for Renewable Power Producer of the Year (Malaysia) 2016
   - Power Utility of the Year (Malaysia) 2012

3. **Focus Malaysia's Best Under Billion Awards 2018 (BUBA2018)**
   - Best in Online Presence

4. **ASEAN Energy Awards**
   - Winner of the ASEAN Best Practices for Renewable Energy Project Award 2016
   - Best Submission Category of The ASEAN Best Practices for Renewable Energy Project Award 2014

5. **Finance Asia Magazine**
   - Asia's Best Companies 2015
   - Best Small Cap Company for Malaysia

6. **Malaysian GreenTech Awards (organised by Malaysia's Ministry of Energy, Green Technology & Water)**
   - Malaysia Top 30 Green Catalyst for 2014
   - GreenTech Developer Award 2012 (silver)

7. **Power & Electricity Award (Asia)**
   - Solar Project of the Year 2013

8. **Malaysia Book of Records**
   - Largest Grid-Connected Solar Park
   - Most Number of Solar Panels on a Grid-Connected Solar Park (Safely Closed Landfill)

9. **PFI Asia Awards**
   - Islamic Deal of The Year 2019

10. **Islamic Finance News (IFN) Awards**
    - Green Project of The Year 2019

Investors Relations and Key Performance Highlights

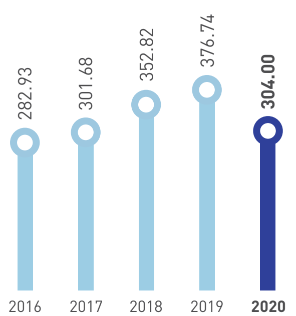
Cypark Resources Berhad enhances strong relations with existing and potential investors through constant proactive engagement and communications with financial analysts and investing stakeholders. Our investor relations team identifies investors' interests, issues and concerns, and develops best approaches and engagements in responding to the relevant interest and concern. The team, led by the Group Chief Executive Officer and Group Chief Financial Officer, is responsible to lead, drive, and facilitate investor relations efforts and communications to ensure greater involvement with the investing community.

Cypark's Investor Relations engagement activities include presentations, meetings and site visits which allow access to our management for better understanding of the latest updates in the industry. Apart from that, Cypark's Investor Relations portal on the website is continuously updated by the team to highlight financial and stock reports, information on governance and the Group's commitment.

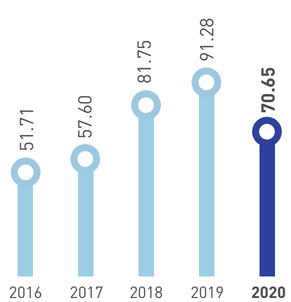
Financial Year	2016 RM'000	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000
Revenue (RM)	282,929	301,684	352,818	376,739	**304,000**
Net Profit (RM)	51,713	57,603	81,753	91,282	**70,651**
Net Assets (RM)	440,321	507,234	658,806	757,179	**950,537**
Basic Earnings Per Share (sen)*	13.77	15.00	19.94	19.82	**14.94**
Net Asset Per Share (RM)*	1.16	1.30	1.46	1.62	**2.01**

* *Figures from year 2016 to 2018 have been adjusted and presented for comparative purposes as a result of 2019's Bonus Issue.*

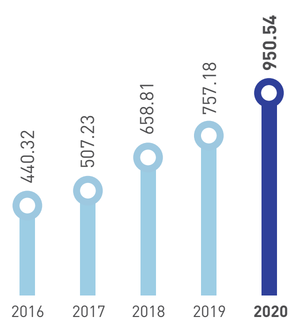
Revenue
(RM'Million)



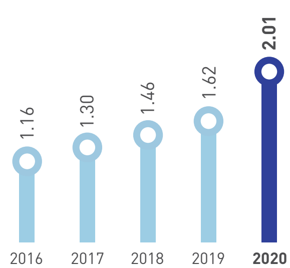
Net Profit
(RM'Million)



Net Assets
(RM'Million)



Net Asset Per Share
(RM)



Media Presence 2020

CYPARK EXPECTS TO WIN 20% OF JOBS

The Star
3 March 2020

"...(Cypark) is in great advantage to bag more of these jobs, thanks to its track record of having a WTE plant in Ladang Tanah Merah in Negeri Sembilan and being the pioneer of WTE in the country."

Cypark expects to win 20% of jobs

PETALING JAYA: Cypark Resources Bhd expects to win at least 20% of the upcoming waste-to-energy (WTE) plant tender offers in Malaysia.

The renewable energy and construction engineering company said it was in a great advantage to bag more of these jobs, thanks to its track record of having a WTE plant in Ladang Tanah Merah in Negri Sembilan and being the pioneer of WTE in the country.

"We are also looking forward to participate in the coming WTE tenders that are expected to start in 2020 in Johor, Kedah and Melaka. We are confident to win at least one of these tenders due to our solid background in this sector," Cypark executive chairman Tan Sri Razali Ismail said in the company's annual report for the financial year ended Oct 31, 2019.

CYPARK RESOURCES BUYING PERAK BIOGAS PLANT FOR RM6M

The Edge Online (Online), 28 May 2020

"...The acquisition is to facilitate the Group's participation in the renewable energy business."

Cypark Resources buying Perak biogas plant for RM6m

CYPARK PROPOSES TO ISSUE RM500MIL ISLAMIC BONDS

The Star, Oriental Daily
5 June 2020

"the issuance of perpetual sukuk musharakah would be utilised to refinance existing borrowings, capital expenditure, working capital, general corporate purpose and defraying fees, costs as well as expenses with regards to the issuance of the programme"

CYPARK资源发5亿伊债

吉隆坡4日讯｜CYPARK资源（CYPARK，5184，主板工业股）宣布，旗下Cypark再生能源私人有限公司建议落实一项总值最多5亿令吉的永续伊斯兰中期票据发债计划。

根据文告，上述发债计划的集资所得将用以再融资现有负债，用作资本开销和营运资金，以及一般企业用途。

Cypark proposes to issue RM500mil Islamic bonds

KUALA LUMPUR: Cypark Resources Bhd's wholly-owned subsidiary, Cypark Renewable Energy Sdn Bhd (CRE), has proposed to issue up to RM500mil in perpetual Islamic medium-term notes in nominal value under the perpetual sukuk musharakah programme.

The perpetual sukuk musharakah programme would allow for the issuance of unrated and subordinated perpetual Islamic medium term note with flexibility for CRE to issue secured or unsecured perpetual sukuk musharakah of not exceeding RM500mil at any point in time.

In a filing with Bursa Malaysia, Cypark Resources said the proceeds from the issuance of perpetual sukuk musharakah would be utilised to refinance existing borrowings, capital expenditure, working capital, general corporate purpose and defraying fees, costs as well as expenses with regards to to the issuance of the programme.

"The utilisation of the proceeds of the perpetual sukuk musharakah programmes shall at all times be for syariah-compliant purposes.

"The perpetual sukuk musharakah may be issued in one or more tranches.

"The secured perpetual sukuk musharakah shall be secured by the security allocated for such tranche," it added.

Meanwhile, Cypark Resources noted that the perpetual sukuk musharakah programme was lodged with the Securities Commission Malaysia yesterday.

Media Presence 2020

PUBLICINVEST: MORE PLAYERS TO BENEFIT FROM OPEN BIDDING PROCESS

New Straits Times, 6 June 2020

"PublicInvest believes the higher capacity quota under LSS4 could benefit Cypark Resources Bhd, given its technical expertise and experience as the developer and operator of solar parks."

LARGE-SCALE SOLAR PLANTS

PublicInvest: More players to benefit from open bidding process

KUALA LUMPUR: The Energy Commission is holding a competitive bidding process for the development of large-scale solar plants with a target capacity of one gigawatt (GW) under its Large Scale Solar (LSS) scheme.

Public Investment Bank Bhd (PublicInvest) said the previous three cycles had boasted capacities of between 370 megawatts (MW) and 500MW.

"The Energy and Natural Resources Ministry, via the Energy Commission, is requesting proposals through a competitive bidding process for the development of the fourth cycle of LSS (LSS4).

"The aggregate solar capacity open for tender this time round is 1GW," said PublicInvest yesterday.

This is aimed at generating investments amounting to RM4 billion, with the solar plants expected to start operating latest by Dec 31, 2023.

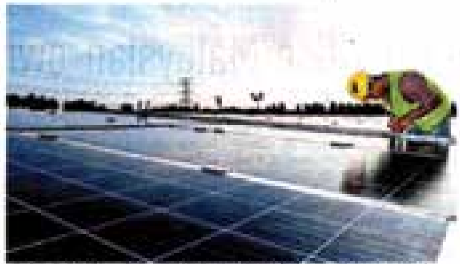
"We are positive on this as we believe it will give many industry players the opportunity to participate in the bidding process," it said.

LSS4 offers a 1.0GW solar quota and is open to fully-owned local companies or those with at least 75 per cent local shareholding for companies listed on Bursa Malaysia.

"We understand that each developer can only make a maximum of only three bids," said PublicInvest.

Two packages will be offered through the tender, which are 500MW for capacity between 10MW and 30MW, and another 500MW for capacity between 30MW and 50MW.

PublicInvest believes the higher capacity quota under LSS4 could benefit Cypark Resources Bhd, given its technical expertise and experience as the developer and operator of solar parks.



Malaysia's renewable energy, including solar power, has reached eight per cent of the total energy mix.

Mega First Corporation Bhd also had the intention of venturing into the renewable energy space in Peninsular Malaysia after the successful operation of its Don Sahong hydropower plant in Vietnam, it said.

Other beneficiaries could be Solarvest Holdings Bhd, Malakoff Corp Bhd, YTL Power International Bhd and Tenaga Nasional Bhd.

The tentative deadline for bid submission is Aug 28, with the shortlisted bidders expected to be announced by the end of this year.

PublicInvest said no reference price was disclosed this round.

The bidding prices during the third round were between 17 sen and 58 sen per kilowatt hour (kWh).

The firm believes the reference price for LSS4 would be around the same as LSS3.

Malaysia's renewable energy (RE) has reached eight per cent of the total energy mix, mainly generated by LSS plants, Feed-in Tariff and Net Energy Metering developers.

RE generation in Peninsular Malaysia covers solid waste, small hydro, biomass, biogas, geothermal and solar.

MAJOR INFRASTRUCTURE PROJECTS AWAITING DIRECTION

The Malaysian Reserve, 11 June 2020

"The WTE plants's construction (Cypark) is monitored by foreign experts who provide similar technology to Japan, Sweden, and Germany."

Major infrastructure projects awaiting direction

KL-Singapore HSR, Bandar Malaysia and Kg Baru redevelopment among projects indefinitely on hold as govt focuses on kick-starting domestic economy

SEVERAL major infrastructure projects are seen to be on indefinite hold as the government focuses on tackling the coronavirus crisis and reviving the domestic economy.

The government announced a [illegible] billion plan last week to mitigate the impact of Covid-19 restrictions, but for some projects, there is still no clear indication of their progress.

One of them — the Kuala Lumpur (KL)-Singapore High Speed Rail (HSR). The project was estimated to cost RM60 billion when it was first announced, but is now projected to cost RM110 billion.

Launched in 2016, it was scrapped due to high costs following the change of government in 2018. However, the project was later revived in the same year.

Most recently, Malaysia and Singapore agreed on May 31 to defer the project further to December 2020, delaying its operational date to 2031.

Both governments will resume discussions on the project with proposed changes in the commercial and technical aspects.

Another mega project, the Bandar Malaysia development in KL, was revived in December 2019 after two years without progress, but not much has been done since.

The Pakatan Harapan government began to make headway in the stalled RM140 billion project, but issues over financing and getting the correct developer has hindered its progress.

Since December 2019, no development has been reported on the single largest project within the capital with about 1.8 million population.

"The grinding halt of these projects leaves economic repercussions on the domestic economy, as these projects are engaged or were going to engage thousands of local support businesses," said Putra Business School Assoc Prof Dr Ahmed Razman Abdul Latif.

"The responsible ministers should start to sit down with the respective government and private agencies to follow through on these projects as it will also help the country to kick-start the growth of the domestic economy.

"The government should continue with its development expenditure, especially focusing on infrastructure projects as what had been announced in the earlier fiscal stimulus package," he told The Malaysian Reserve (TMR).

UniKL Business School Assoc Prof Dr Aimi Zulhazmi Abdul Rashid said Bandar Malaysia may face challenges on lower demand for office space in the post-Covid-19 environment.

"It's mainly because employers and employees are getting used to working from home norms. Retail spaces for shopping malls may also decline as online e-commerce platforms become a more dominant force post-Covid-19. The mega projects would be good when we reach the edge of recovery."

Another project that is unlikely to proceed soon is the redevelopment of Kampung Baru in KL with a gross development value of RM40 billion.

The Kampung Baru Development Corp (KBDC), which was leading the revival of the project, is likely to undergo another round of restructuring following the change of government in March. The last KBDC restructuring took place in October 2018.

KBDC chairman Tan Sri Ambrin Buang said the group has yet to make a definitive decision on the restructuring exercise. However, he said there is a possibility of a reshuffle in the board that could further delay development.

"There is a potential (for change) since there is a change of government. I will check with the CEO (Lokman Omar) when we meet," he told TMR. Lokman was appointed CEO on June 1, 2020.

Non-mega infrastructure projects such as the RM300 million waste-to-energy (WTE) incinerator plant at Ladang Tanah Merah in Port Dickson, Negri Sembilan, had encountered setbacks since 2018.

Developer Cypark Resources Bhd has received another six-month extension to commercially operate its WTE incinerator plant at Ladang Tanah Merah in September 2019.

"Local workers have resumed, but foreign specialists are still restricted from travelling into the country. Hopefully, the (restrictions) will be lifted soon, so we can be back in full force," Cypark CEO Datuk Daud Ahmad told TMR in a text reply.

The WTE plant's construction is monitored by foreign experts who provide similar technology to Japan, Sweden and Germany.

The Ministry of Housing and Local Government when contacted said it is still waiting for technical input from the Department of National Solid Waste Management before responding.

Rapid Bus Sdn Bhd has announced that Rapid KL will be expanding its midi bus services to other routes after its successful trial on Route T300 from Bukit Indah hub to Ampang Point via Jalan Rawni in August 2019.

The encouraging feedback from commuters praised the turnaround time achieved by using the smaller midi buses, which are easier to manoeuvre along tight road stretches, it said.

"Ridership also increased for these routes due to better service punctuality provided by the midi buses.

"Rapid KL is currently evaluating the data and feedback collected from both the T300 and T304 midi bus trials in order to plan further service enhancements for implementation after the Recovery Movement Control Order (RMCO) has ended," Rapid Bus told TMR.

The RMCO is in effect from June 10 to Aug 31.

Media Presence 2020

FIVE COMPANIES AWARDED MAJOR SOLAR PROJECTS

The Borneo Post (Sabah), The Borneo Post (Sarawak), The Star, The Malaysian Reserve, Sin Chew Daily, Oriental Daily, Utusan Sarawak, The Edge CEO Morning Breif, New Sabah Times (Sabah), Daily Express (Sabah)
16 July 2020

"The successful bidders for the 100MW projects include ..... as well as Cypark Resouces Berhad."

Lima pembida Projek LSS ketiga meterai perjanjian TNB

國能向3公司購290.88兆瓦太陽能電力

Five companies awarded major solar projects

TNB signs three large-scale photovoltaic PPAs

LSS3 financial close by year end, says energy minister

Five LSS3 bidders have inked agreements with TNB

国能向3 LSS3得标公司购电

TNB awards 3 LSS PPAs with total capacity of 290.88 MWAC

TNB inks 3 large-scale solar PV PPAs

Media Presence 2020

Cypark sets its sights on high RE growth

▶ Recommendation: Outperform

▶ CYPARK RESOURCES BHD

FYE OCTOBER	2019	2020F	2021F	2022F
REVENUE (RM mil)	376.7	304.6	396.2	528.7
CORE NET PROFIT (RM mil)	91.3	71.4	95.1	125.9
EPS (sen)	19.8	15.8	20.8	27.2
PER (x)	4.5	5.6	4.2	3.2

CYPARK SETS ITS SIGHTS ON HIGH RE GROWTH

The Malaysian Reserve
2 October 2020

"Cypark will increase its RE project capacity to at least 200W within the next two years (currently~47MW), coming from its WTE, floating solar, ground-mounted solar and biogas plant installation."

PUBLICINVEST UPGRADES CYPARK TO 'OUTPERFORM'

New Straits Times
2 October 2020

"PublicInvest has upgraded its call on Cypark to "outperform" with a target price of RM1.84, based on sum-of-parts valuation."

Cypark Resources Bhd's 20MW WTE and 4MW biogas plant in Ladang Tanah Merah, Port Dickson, is expected to be fully ready in July next year, says Public Investment Bank Bhd.

RM1.84 TARGET PRICE

PublicInvest upgrades Cypark to 'outperform'

KUALA LUMPUR: The time is opportune for a re-look into Cypark Resources Bhd due to its increased exposure to the renewable energy (RE) segment, said Public Investment Bank Bhd (PublicInvest).

Cypark owns, operates and manages 47 MWdc of solar plants, and is expected to increase that to at least 200 megawatts (MW) within the next two years from its waste-to-energy (WTE), biogas, floating and ground-mounted solar installations.

PublicInvest said Cypark's 20MW WTE and 4MW biogas plant in Ladang Tanah Merah, Port Dickson, was expected to be ready in July next year, which would provide it with a more sustainable concessionaire-type business in the RE space.

"We foresee its RE segment contributions to more than double from its financial year 2019."

The research firm said Cypark currently traded at only five times financial year 2020 price-to-earnings (PE) ratio, compared to an average of 15x for its peers.

PublicInvest has upgraded its call on Cypark to "outperform" with a target price of RM1.84, based on sum-of-parts valuation.

Chairman's Statement

We are Advancing Future-Ready Solutions

TAN SRI RAZALI ISMAIL
Executive Chairman
Non-Independent Executive Director

Dear Stakeholders,

I am pleased to report our respectable results for the financial year ended on 31 October 2020 (FYE 2020) taking into consideration the unprecedented challenges we faced in 2020 arising from the COVID-19 pandemic. Another major highlight in our FYE 2020 was the successful award of the 100MWac LSS3 project by the Energy Commission (ST) signifying our growth sustainability and our proven competitiveness even amongst local and international bidders. Our success in securing the Malaysia's largest LSS3 tender package is very prominent achievement in view that we were the only local company selected among the five winners in this international open tender exercise. The award which was won based on the most competitive pricing has further boosted our reputation as the industry cost leader and hence we have since attracted more interest from our strategic clients to work with us, to whom we also offer our Engineering, Procurement, Construction and Commissioning (EPCC) services.

The COVID-19 pandemic in 2020 delivered the greatest shock to our local and global economy ever since our independence. Businesses and people everywhere have had to make adjustments to every facet of life – working, travelling, communicating, socialising and doing business. Cypark too, just like many other businesses globally and locally, was impacted by the disruptions and restrictions brought about by many stages of Movement Control Order (MCO) from March 2020 to present times. Travelling and logistical restrictions, strict working standard operating procedures, labour shortage and supply chain interference are some of the issues that have caused delays to our projects under construction. Fortunately, our existing renewable energy (RE) plants and waste management services are continuing to operate as usual as they are deemed as essential services, hence allowing us to still operate viably during the difficult period.

Our dynamic corporate strategies and action plans have been implemented effectively by our very capable and talented team – a team that is willing to challenge old ways of doing things and generate innovative solutions to deliver our clean energy and environmental business. We believe our innovative and highly committed workforce will not stop delivering superior business results despite the ongoing pandemic, partly because they can better appreciate the dynamic business transformation implemented in the past few years. We intend to continue to deliver on all our commitments to our stakeholders.

On the bright side, the COVID-19 pandemic has provided a unique opportunity to rethink the kind of future we want so we can plan on how to transform the way we live and work. The pandemic has brought opportunities for many countries and businesses to respond differently, reimagine new scenarios, and reset strategies on how our economy will recover. It is time to not only focus on economy recovery but also environmental recovery, through prioritised investments in clean projects, innovations, and initiatives in decarbonising energy, transportation, waste management, etc. It is imperative that our leaders together with industry players work closely to develop and implement a national recovery policy which will rebuild stronger, more resilient, and greener economies in a post COVID-19 world.

As stated in the Global Carbon Budget 2020 report, the earth's greenhouse gas emissions plunged by roughly 2.4 billion tons in 2020, a 7% drop from 2019 and the largest decline on record, triggered by worldwide COVID-19 restrictions. Emissions from transport account for the largest share of the global decrease as the road transport and aviation industry activities plunged below their 2019 levels by approximately 10% and 40%, respectively. Given that the world needs to reduce global

SMART WTE plant in Ladang Tanah Merah, Negeri Sembilan

emissions by more than 7% year over year through 2030 to effectively combat climate change, smarter policy in areas like emissions-free transportation is required, alongside a greener energy generation policy. With many countries having embraced the electric vehicle policy, it will result in higher demand for green energy globally. Over the medium to long term, we expect Malaysia to trend similarly and hence our renewable energy and green technology business should enjoy healthy growth trajectory for many years to come.

The management through strategic business initiatives have come up with proactive solutions and responsive action plans in order to minimise the impact of the COVID-19 disruptions to our performance. We have reviewed and reinforced the vital importance of our corporate strategies. We have further revisited and reviewed our action plans for 2021 and beyond to ensure while we are still in the midst of these extraordinary times, we remain as committed as ever to our short and long-term strategy. Focus on the importance of environmental, social and governance (ESG) impacts has always been a part of everything we do for more than 20 years. We are passionate about generating clean, renewable energy, while protecting the environment and giving back to the surrounding community. It is our strong belief that energy can be clean and low cost at the same time. With it, we are confident Cypark will continue to grow a diversified sustainable business with emphasis on growing the waste to energy (WTE), solar PV, biogas, biomass and energy storage portfolio.

As the solar energy industry enters a new era of more efficient technologies, bigger economies of scale, cheaper cost of funds, and more proactive and strategic government policies, we see a bigger window of opportunity to grow our future market share by leveraging on our current market leadership position, investing more in research and development, building highly cost-competitive capacity, and increasing collaboration with key global technology providers to better deliver value engineered products and services. This is reflected in our growth plan, which we are already implementing. We will continue to focus on executing our key strategies, overcome market challenges, and deliver on both our short and long-term goals.

As stated in the International Renewable Energy Agency (IRENA) 2020 Report, cumulative investment in renewable energy industry between 2013-2018 reached USD 1.8 trillion or on average about USD 300 billion annually. This figure could reach USD 800 billion annually by 2050. Such high levels of investment shall help put the world on a pathway compatible with keeping the rise in global temperatures to well below 2 degree Celsius (°C)

Waste Segregation Facility (WSF) in Ladang Tanah Merah, Negeri Sembilan

Chairman's Statement

by 2050 and toward 1.5°C in this century while creating a cleaner and greener environment. Thus, we have full confidence that the Malaysian Government will further develop and execute its green policy for the nation's economy in tandem with the above global trend. This keeps us very optimistic on the future of Cypark and Malaysia.

Even in this challenging time, I believe there are aspirations, drivers and triggers, and plenty of opportunities. Thus, we must act on them strategically, and we must act with creativity, innovation, and determination. We must be obsessed towards making the world sustainable.

I expect renewable energy will remain as a major contributor to our revenue and profit in 2021 and beyond. Our integrated renewable business models give us the competitive advantage to deliver bankable, end-to-end solar plus other renewable solutions, such as biogas, biomass, and waste to energy, both integrated or on independent basis, which will further unlock growth opportunities for many years ahead.

Acknowledgements

On behalf of the Board of Directors, I wish to express my sincerest appreciation to Cypark's employees for their continuous and vigilant endeavours and exemplary involvement in the year 2020. Their substantial contribution is the pertinent factor for the Company's persistent progress. Again, I would like to convey my highest gratitude to Cypark's dedicated Senior Management for their commitment and excellent execution of strategic plans in ensuring the Company's business stability.

Likewise, we are pleased to recognise our shareholders for their unrelenting confidence as well as our bankers and business partners for their steadfast patronage and support. Last but not least, I would like to enunciate deepest appreciation to my fellow Board members for their wise counsel and keen involvement in the various Board Committees in 2020.

All and all, let us stay vigilant and mitigate the spread of the COVID-19 outbreak. Ergo, together we embark on scaling higher achievements and better prospects in 2021.

Thank you for your continued support and interest in Cypark. Please stay safe and stay healthy.

Tan Sri Razali Ismail
Chairman

Fully Anaerobic Bioreactor System Generation (FABIOS) Plant in Ladang Tanah Merah, Negeri Sembilan

Development of Cypark's 49 MWdc ground mounted solar at Sik Kedah worth at RM225 million

Management Discussion and Analysis

Company Overview and Strategy

2020 has been a year of unprecedented disruptions from COVID-19 pandemic together with some major economic and political disruptions. Consequently, we have experienced significant changes in the ways we work, the ways we communicate and the ways we live. As a result of this very challenging year, Malaysian economy, until the third quarter of 2020, has shown a contraction of 2.7% percent while for the whole 2020, it was further expected to contract to between 5-7%.

Cypark Resources Berhad (CRB) being the leading environmental solution and renewable energy company in Malaysia has taken pre-emptive steps to endure the economic impact of the COVID-19 pandemic. Measures such as cost optimisation, post – Movement Control Order (MCO strategic planning, and project implementation catch-up plans have helped us deliver a relatively strong FYE 2020 results which shows a mere 19% drop of revenue compared to the previous year's result. This is considered a very respectable result compared to many other companies which have suffered worst impacts. If not due to MCO that caused the delay of the Large Scale Solar (LSS) 2 Engineering, Procurement, Construction, and Commissioning (EPCC) projects, Cypark would have recorded higher revenue and profitability than the figures achieved in FYE 2019.

For FYE 2021, we foresee a strong recovery year for Cypark as higher EPCC revenue contribution is expected from the LSS2 project due to the shift of revenue timing from FYE 2020 to FYE 2021. We are optimistic that our future EPCC revenue will be enhanced with new EPCC contracts to be secured from potential LSS4 winners. We also believe that Cypark on its own bid, has a good chance to win the LSS4 tender which was closed in September 2020 based on its historical high tender success rate, and this will potentially further boost our future financial performance from additional sales of solar energy.

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 Cypark's proven competitive advantage. Moving forward, Cypark will strengthen its capability and strong value proposition by leveraging further on the above success factors to ensure its business sustainability and to maintain stable growth of its revenue and profitability.

On Waste-to-Energy (WTE), our plant at Ladang Tanah Merah, Negeri Sembilan which is the first of its kind in Malaysia, is expected to be in commission by the mid of 2021. Once commissioned, it will significantly uplift our revenue from sales of green energy from FYE 2021 onwards.

Our Performance

As stated above, Cypark's FY2020 performance has also been impacted by the COVID-19 pandemic albeit at lesser extent. With strategic action plans specifically formulated and implemented by the management to respond to the sudden changes, we have however managed to soften the negative fallout of the pandemic thus still delivering respectable FYE 2020 results. The management has taken measures such as cost optimisation, project catch-up action programmes, and refinancing and restructuring our borrowing to take advantage lower cost of fund.

49 MWdc LSS2 project in Sik, Kedah

> In FY20, Cypark managed to create another historical milestone with the establishment of RM500 million Islamic perpetual bonds.

Courtesy visit by Negeri Sembilan State Secretary, YB Dato' Dr Razali Bin Ab Malik to Cypark Pajam Solar Power Plant on 10 January 2020

In 2020, all Cypark's business segments; Renewable Energy (RE), Green Technology (GreenTech), Environmental Engineering and Solutions (EE) and Construction Engineering have shown resilience against the COVID-19 impact and maintained viability.

Currently Cypark operates, owns, and manages 47.17 MW of solar plants. The operation of these solar plants as well as our waste management operation have not been affected by the pandemic as they are deemed as essential services thus the performance of these business units remain strong.

As the progress of our Engineering, Procurement, Construction, and Commissioning (EPCC) projects were impacted by the various stages of MCO, it was inevitable that the original Commercial Operating Dates (COD) of some projects are pushed back many months later, hence the FYE 2020 revenue contribution from these projects were reduced. However, as these contracts are secured concession contracts, the delay is only of timing issue in term of implementation of the work and recognition of revenue. As a result, the delayed revenue is shifted away from FYE 2020 and consequentially will contribute higher revenue for FYE 2021. Since the COVID-19 has been acknowledged as a force majeure event by ST, all our projects are entitled for Extension of Time (EOT), therefore we don't expect any risk of major cost impact caused by imposition of any delay penalties or Liquidated Ascertained Damages (LAD).

On the 100MWac (173MWp) LSS3 project in Merchang, Terengganu, which is 70% owned by Cypark, we are pleased to announce that work has already started and it is progressing well to achieve the completion date of 31 December 2021. Upon completion, it will contribute significantly to our revenue in FYE 2022.

With regards to Malaysia's first WTE plant developed by Cypark in Ladang Tanah Merah, Negeri Sembilan, we are proud to announce that the plant's testing and commissioning stage will commence upon upliftment of inbound travelling restriction for foreign specialists imposed by the Malaysian government due to the COVID-19. We believe that once the restriction on the foreign expert travelling into Malaysia is relaxed, the WTE plant can proceed with its testing and commissioning stage and once completed, achieve its Initial Operation Date (IOD). Barring any unforeseen circumstances, we target the plant to start contributing to Cypark's revenue after middle 2021. The integrated WTE plant is expected to contribute up to RM80 million a year in revenue.

Our existing venture through an associate company in the biomass sector has shown good prospects for further growth. For FYE 2020, the plant's production has increased by 100% compared to the previous year. The overseas demand for biomass product which we passionately called "green coal" remains strong despite the COVID-19 pandemic and we believe this venture will contribute more positively in FYE 2021. We aim to further expand our capacity in the future and we plan to start developing our second biomass plant later this year.

> *It is time for a sustainable energy policy which puts consumers, the environment, human health, and peace first*
>
> *Dennis Kucinich*

In FY20, Cypark managed to create another historical milestone with the establishment of RM500 million Islamic perpetual bonds. This programme is the first perpetual sukuk programme that has secured repayment source from RE assets. The proceeds of this establishment shall be utilised to refinance our existing solar plants and for future LSS programme.

> *The Earth is a fine place and worth fighting for*
>
> *Ernest Hemingway*

Management Discussion and Analysis

SMART WTE plant in Ladang Tanah Merah, Negeri Sembilan will be commissioned in middle of 2021

Key Performance Highlight

Group Highlights	2016 RM'000	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000
Revenue	282,929	301,684	352,818	376,739	**304,000**
Profit Before Tax	60,080	69,590	100,393	118,583	**96,621**
EBITDA/Adjusted EBITDA	82,414	97,566	124,226	147,907	**149,332**
Finance Costs	11,809	11,795	10,504	12,046	**12,300**
Net Profit	51,713	57,603	81,753	91,282	**70,651**
Total Equity	440,321	507,234	658,806	757,179	**950,537**
Total Assets	1,093,088	1,316,705	1,528,466	2,175,434	**2,374,502**
Borrowings	443,071	567,671	609,088	1,173,413	**1,219,074**
Net Debt/Equity (%)	75%	91%	79%	86%	**90%**
Basic Earnings Per Share (sen)*	13.77	15.00	19.94	19.82	**14.94**
Net Asset Per Share*	1.16	1.30	1.46	1.62	**2.01**

* *Figures from year 2016 to 2018 have been adjusted and presented for comparative purposes as a result of 2019's Bonus Issue.*

Completed access road to Cypark's SMART WTE plant

> For the financial year ended on 31 October 2020 (FYE 2020), the Group recorded revenue of RM304.0 million as compared to RM376.7 million recorded in the financial year ended 2019 (FYE 2019), which represents a drop of RM72.7 million or 19.3%.

For the financial year ended on 31 October 2020 (FYE 2020), the Group recorded revenue of RM304.0 million as compared to RM376.7 million recorded in the financial year ended 2019 (FYE 2019), which represents a drop of RM72.7 million or 19.3%. The drop in revenue was mainly contributed by the outbreak of COVID-19 where total suspension of work activities from 18 March 2020 to 9 June 2020 due to the MCO and Conditional MCO (CMCO) and the restriction imposed on work activities during Recovery MCO (RMCO) which continues to be effective until further notice.

The adjusted earnings before interest, taxes, depreciation and amortisation (EBITDA) of the Group for the FYE 2020 showed an increase of 0.9% or RM1.4 million to RM149.3 million as compared to RM147.9 million in FYE 2019. Following the decrease in revenue, the profit after tax (PAT) of the Group for the FYE 2020 also recorded a drop of 22.6% or RM20.6 million to RM70.7 million as compared to RM91.3 million recorded in FYE 2019.

11 MWdc solar plant in Ladang Tanah Merah, Port Dickson, Negeri Sembilan.

Assets and Liabilities

The Group's total asset in the FYE 2020 increased by 9.2% to RM2,374.5 million as compared to RM2,175.4 million in the FYE 2020. The increase in total assets was mainly due to the following reasons:

1. Increase in contract assets from the construction progress of the three solar plants of 50MW each which was awarded under LSS2 scheme. The contract assets are backed by a formal assignment to the Group of all solar energy sales proceeds collectable from Tenaga Nasional Berhad (TNB).
2. Increase in construction progress of the solar plant of 100MW located at Mukim Merchang which was awarded under LSS3.
3. Recognition of right-of-use assets upon the adoption of MFRS 16 Leases.

For the FYE 2020, the total liabilities rose by RM5.7 million, that is, from RM1,418.3 million in FYE 2019 to RM1,424.0 million in FYE 2020. The increase in the total liabilities was mainly due to the drawdown of term loan for LSS 3 project in the wholly-owned subsidiary of the Company, namely Cypark Suria Merchang Sdn Bhd. Besides that, adoption of MFRS 16 Leases, which make up of RM7.3 million in lease liabilities in FYE 2020 also contributed to the increase in total liabilities.

Management Discussion and Analysis

Equity

i. **Share Capital**

During the FYE 2020, the share capital of the Company increased from RM400.8 million to RM409.5 million while the total number of issued and paid-up share capital increased from 467,441,453 ordinary shares to 480,257,053 ordinary shares. The increase in ordinary shares was due to the issuance of 12,815,600 CRB shares at an exercise price of RM0.595 per share, respectively pursuant to the exercise of options under the existing Employees' Share Option Scheme.

ii. **Share Buy-Back**

Repurchase of a total of 7,630,100 units of ordinary shares from the open market for a total consideration of RM5,769,248 at an average cost of RM0.76 per share. The repurchase transactions were financed by internally generated funds. The repurchased shares are held as treasury shares in accordance with the requirement of Section1 27 of the Companies Act 2016. As at 31 October 2020, the total number of treasury shares held is 1.63% of the total number of issued share capital of the Company.

iii. **Employees' Share Option Scheme (ESOS)**

In March 2020, the Company granted new ESOS of 48,600,000 units at an exercise price of RM0.595 per share.

iv. **Perpetual Sukuk**

On 4 September 2020, a wholly-owned subsidiary of the Company, namely Cypark Renewable Energy Sdn Bhd (CRE) made its first issuance (Tranche 1 – Series 1) of RM97.25 million of unrated perpetual Islamic notes based on the Shariah principle of Musharakah (Perpetual Sukuk Musharakah) pursuant to an unrated perpetual Islamic notes issuance programme of RM500.0 million in nominal value (Perpetual Sukuk Musharakah Programme). Subsequently, CRE issued tranche 1 – series 2 amounting to RM22.10 million, tranche 1 – series 3 amounting to RM30.25 million and tranche 1 – series 4 amounting to RM15.40 million on 7 October 2020, 19 November 2020 and 30 December 2020 respectively.

The Perpetual Sukuk Musharakah raised in CRE is classified as equity instruments as there is no contractual obligation to redeem the instrument.

"The unprecedented pandemic in Malaysia and around the world has disrupted the economy and the full recovery of this impact is still unknown. Due to the challenging and uncertain business environment, it is important for the Group to conserve funds for future uncertainties as well as maintain a strong buffer against any potential shocks."

Dividend

During the FYE 2020, no dividend has been paid, proposed or declared by the Company since the end of the previous financial year.

The unprecedented pandemic in Malaysia and around the world has disrupted the economy and the full recovery of this impact is still unknown. Due to the challenging and uncertain business environment, it is important for the Group to conserve funds for future uncertainties as well as maintain a strong buffer against any potential shocks. After due consideration, the Board has decided not to recommend the payment of any dividend for FYE 2020.

The Board will recommend the payment of dividends once the Board deems the Group to be in a comfortable position to distribute dividends.

Management Discussion and Analysis

	2015	2016	2017	2018	2019
Net Profit (RM)	43,515,979	51,713,230	57,602,659	81,752,604	**91,282,247**
Total Dividend Paid (RM)	12,433,564	13,265,432	14,831,246	17,873,000	–
Dividend Per Share (sen)	5.00	5.20	5.60	3.90	–
Dividend/Net Profit %	29	26	26	25	–
Payment Date	14-June-16	22-June-17	28-June-18	28-June-19	–

* *Calculated based on Net Profit figure before restatement*

Our Outlook and Prospects

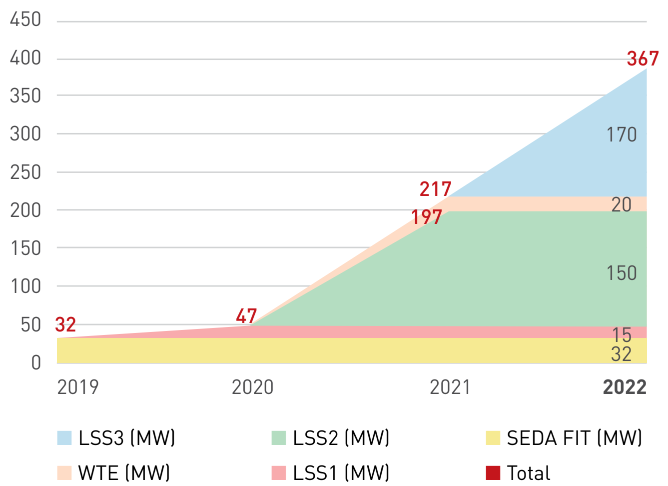
Encouraged by respectable performance in its FYE 2020 results despite the very challenging year, Cypark is determined to build on this momentum and strive to perform better in FY2021. Cypark will keep focusing on managing cost and investment, increasing productivity and efficiency, optimising manpower and other resources, and eventually boosting its market share and competitive advantage.

Despite the COVID-19 pandemic and certain events that created political uncertainties, the Malaysian Government has been steadfast in its commitment towards the 2012 Paris Agreement targets. We believe the government's decision to stimulate clean energy transitions by making investment in renewables as a pivotal part of its economic stimulus packages to reinvigorate the Malaysian economy that was badly impacted by the COVID-19 pandemic is very much applaudable. The Government's determination to achieve its 20% (6,000MW) renewable energy target by 2025, is proven through its recent Large Solar Scale Photovoltaic (LSS4) open tender which was announced on 31 May 2020 and closed on 2 September 2020. Moreover, we believe there will be further extension to the LSS programme possibly LSS5 and LSS6 that could prospectively offer similar excitement as LSS4, if not more in the near future. This tremendous government's effort should be complimented as this will further accelerate the development of the country's green electricity supply, focusing more on solar energy.

The LSS4 tender which is known as "LSS@MenTARI", offers 1,000MW solar quota which is the largest offering of solar project tender in Malaysia to date and one of the largest in South East Asia. Cypark with its very competitive bid submission, is optimistic that the LSS4 tender will bring further cheers to Cypark once the result is announced in early 2021.

By FYE 2022, with the targeted completion of 173MWp LSS3 Project in Merchang, Terengganu together with the 25MW WTE Plant in Tanah Merah, Negeri Sembilan, Cypark will increase its ownership of RE asset capacity to 245MWp from its current operating capacity of 47MWp. In addition to its own assets, Cypark will operate a total of 150MWp solar assets including 100MWp floating solar by middle 2021 under its EPCC plus Operation and Maintenance (O&M) long term contract. In total, the number of secured capacity of solar assets built, owned and/or operated by Cypark will reach over 395MWp. We expect Cypark's future RE revenue from its WTE, floating solar, ground mounted solar and biogas projects secured to more than triple of its current level of profit contribution by FYE 2022.

Cypark Renewable Energy Capacity (MW)



Management Discussion and Analysis

Visit by Menteri Besar Incorporated (MBI) Kedah to Cypark's Renewable Energy Park in Pajam, Negeri Sembilan on 6 March 2020

In term of Malaysian Government recent commitment in promoting green and renewable energy, there were major initiatives in 2020 such as the announcement of the Green Technology Financing Scheme 2.0 (GTFS 2.0), the introduction of additional 500MW Net Energy Metering (NEM 3.0), and the 1,000MW LSS4 tender bid.

Sustainable development is the peace policy of the future

Dr. Klaus Topfer

The Malaysian Government has further committed on its effort in liberating the market by introducing Malaysian Electricity Supply Industry 2.0 (MESI 2.0) initiative. MESI 2.0 is hoped to be a strong impetus for growth in energy sector post COVID-19 as Malaysia move forward under a new norm. Other major initiatives such as the Peer to-Peer (P2P) programme and Third-Party Market Access (TPA) will amplify the renewable market efficiency and size, which is strongly beneficial to industry players such as Cypark. Furthermore, programme such as the recently announced Net Energy Metering 3.0 (NEM3.0) with 500MW to be made available will open more growth areas for renewable energy market. In response, Cypark has already successfully tested a P2P pilot programme from its existing solar plant to its external party which we believe is an important step ahead of other potential players. With the potential from LSS4 tender, NEM 3.0, P2P, and Third-Party Access initiatives, Cypark targets to increase its total RE capacity under its management to beyond 500MWp by FYE 2022 from the 375MWp it has currently secured.

Although 2020 was a challenging year for the green and renewable energy industry, we believe 2021 will be a recovery year as the Government has committed to ensure construction and energy businesses to operate as usual thus this will provide better opportunities in the expansion of the green and renewable energy in Malaysia.

Management Discussion and Analysis

Another area of growth for renewable energy is WTE. In conjunction with the continuous effort of the Government under the Ministry of Housing and Local Government in inculcating greener way in waste management, we believe more WTE plants will be built in the future. With the first WTE in Malaysia is expected to be operational soon, the Malaysian Government has further expanded the opportunities in Malaysia via 5 potential new WTE tenders including two that are ongoing tenders in Johor and Melaka.

We believe our outstanding track record of constructing, owning, and operating the country's first WTE plant in Ladang Tanah Merah, Negeri Sembilan could favour us to win more WTE projects in the future. We look forward to expand our expertise throughout Malaysia focusing in Melaka, Pahang, Kedah and Johor. We expect future WTE plant capacity to be between 15MW to 25MW with an expected investment value of around RM500 million each, inclusive of the Solid Waste Modular Advance Recovery and Treatment (SMART) plant.

Our biogas and biomass operation should also contribute positively to the performance of the Group in FYE 2021 and beyond. As our biomass solid fuel (green coal) pellet product has been receiving strong demands from overseas like Japan and South Korea, we foresee the market will continuously grow further. With the requirement for sustainable palm oil management, there will be more drive to sustainably manage Empty Fruit Bunch (EFB) waste and the Palm Oil Mill Effluent (POME).

Solid Recovered Facilities in Kampung Gajah, Perak

Empty Fruit Bunch (EFB) manufactured in Cypark's Solid Recovered Fuel facility in Kampung Gajah, Perak

For the biogas sector, with another up to 30MW quota for biogas available annually in the future, we foresee the high demand for green energy generation using Palm Oil Mill Effluent (POME). According to Malaysian Investment Development Authority (MIDA) 2018 report, there are total of 111 potential business projects worth RM4.1 billion in the prism of green and sustainable field.

In 2020, Cypark, through its subsidiary company, also managed to secure additional biogas quota of 1.1MW for our POME project in Ulu Remis, Johor following our first achievement in securing a similar biogas plant in Batu Gajah, Perak. As we target to increase our future biogas RE capacity to 30MW by 2025, the two POME biogas plants will pave way for our bigger biogas ventures.

In the meantime, Cypark diligently prioritises our Research and Development (R&D) as we believe we have to act and implement our strategy in innovative and creative ways. We trust that our enhanced R&D prospects such as vertical solar technology, integrated biomass plus biogas solutions, battery storage, and hydrogen fuels will further improve our future market standing and refine.

In addition, the extension of the Green Investment Tax Allowance (GITA) and Green Income Tax Exemption (GITE) until 2023 would bring more interest in green investment for a company like Cypark. This tax incentive is expected to create around 12,000 jobs and rake in RM4 billion into the national coffers, as estimated by the Energy and Natural Resources Ministry, towards the building of a carbon-free future.

Courtesy visit by Sustainable Energy Development Authority (SEDA) Malaysia led by the Chief Executive Officer of SEDA, Ir. Dr. Sanjayan Velautham to SMART WTE Plant in Ladang Tanah Merah, Negeri Sembilan on 16 January 2020

We believe, the COVID-19 pandemic, in hindsight, has paved way for more green new future deals locally and regionally, based on International Energy Agency (IEA) 2020 Report, which reported that the global demand for coal, oil, gas, and electricity declined, except for renewables energy. The renewable energy was reported as the only energy source that shown a growth in demand, driven by larger installed capacity and priority dispatch.

A transition to clean energy is about making an investment in our future

Gloria Reuben

With the successful winning of international LSS3 tender in Malaysia, being the only consecutive winners of all past three LSS tenders and as the developer of the first WTE in Malaysia, Cypark is keen to explore more opportunities outside our home base i.e. in the ASEAN region including Indonesia, Singapore, Vietnam, and Thailand. Cypark has proven competitive advantage and winning value proposition that we foresee our chances in securing oversea project is attainable in the future.

Known Trends and Events

Although 2020 was a challenging year for the green and renewable energy industry, we believe 2021 will be a recovery year as the Government has committed to ensure construction and energy businesses to operate as usual thus this will provide better opportunities in the expansion of the green and renewable energy in Malaysia.

This could be seen when the Government in June 2020 has announced a 1GW bid worth RM4 billion under LSS4 tender bid programme. Cypark believes with our strong track records in the previous LSS bids, we will have high chance of securing some of the LSS4 tender. Cypark expect not just to secure its own power plant bid, but also a few EPCC for LSS4. The LSS4 results are expected to be announced no later by first quarter of 2021. The Group also looks forward for the upcoming LSS5 tender in 2021 as this will further enhance Malaysia's green and renewable energy aspiration in achieving a total of 20% renewable energy mix by 2025.

For the betterment of the people and to enhance the accessibility for green and renewable energy, The Government once again under The Energy and Natural Resources Ministry (KeTSA) has introduced the NEM3.0. This programme aims to provide an opportunity for more users to install the solar photovoltaic system on their respective building with the sole purpose of reducing their electricity bills. With a quota of 500 MW offered from 2021 to 2023, we believe Cypark as one of the leaders in the industry shall come out with the most efficient and affordable NEM solutions to the market, under the three initiatives provided;- NEM Rakyat, NEM GoMEn (Government Ministries and Entities) and NOVA (Net Offset Virtual Aggregation).

Management Discussion and Analysis

The Group also believes the Government under the Ministry of Housing and Local Government has done a tremendous job in ensuring Malaysia excels in its waste management system. With the announcement of the Bukit Payung WTE tender on July 2020, the Government has shown its continuous effort in revamping its waste management system in developing more WTE Plant in Malaysia. Furthermore, there will be another five WTE tenders that will be announced in the near future, targeted to be developed in Melaka, Johor, Pahang, and Kedah. By having the first WTE plant in the nation that will be operated mid 2021, Cypark will stand out from the other WTE competitors.

Business Risks

With the current situation of COVID-19, the Group remains vigilant and believe in the Government Stimulus in aiding the Malaysian Economy, especially in the green and renewable energy (Budget 2021). Although there are uncertainties in the future on the COVID-19 potential 3rd and 4th waves which happened in countries such as United Kingdom, Japan, and South Korea, we believe this crisis will be mitigated properly with in 2021 as vaccines for COVID-19 has been developed and will be distributed in February 2021 onwards as well as various financial aid stimulus offered by the Malaysian Government.

The Board is overseeing the matters of risk through the Risk Management Committee that supported by the Audit Committee and a team of external and internal auditors. For more details on the Group's risk management, kindly refer to the Statement of Risk Management and Internal Control (SORMIC) provided in this annual report.

"The extension of the Green Investment Tax Allowance (GITA) and Green Income Tax Exemption (GITE) until 2023 would bring more interest in green investment for a company like Cypark. This tax incentive is expected to create around 12,000 jobs and rake in RM4 billion into the national coffers, as estimated by the Energy and Natural Resources Ministry, towards the building of a carbon-free future."

Courtesy visit by YB Tuan Haji Ayub bin Jamil, Johor State Executive for Housing and Local Government with Permodalan Darul Ta'zim (PDT) to Cypark's SMART WTE plant in Ladang Tanah Merah, Negeri Sembilan on 10 July 2020

Sustainability Statement

At Cypark Resources Berhad, sustainability is not merely a slogan. We have embarked on this sustainability journey since 2010 and sustainability is a motto that has been ingrained in the Group's policies. It is inextricably linked with Cypark's business strategy, decision making and operational execution. The fundamental key pillars in realising these are:

Throughout the past 16 years, we have always been adhering to our founding principles and beliefs, which have led us to the following achievements:

- One of a few listed companies listed in Bursa Malaysia that is actively reducing greenhouse emission every year;
- A preferred employer that creates and offers equal opportunities for its employees in sustainable green business; and
- The only premier company in Malaysia offering environmental solutions that are truly sustainable and affordable.

These achievements act as an impetus for the Group to strive for continuous improvements and steadfast efforts to ensure our success and also benefiting communities and the environment.

We are committed in ensuring business sustainability and strive to responsibly manage natural resources in contributing holistically to the wellbeing of the society. Cypark continually produces products and services that are not only profitable but also economically and environmentally sustainable.

Visit by The Federal Department of Town and Country Planning (PLANMalaysia) to Cypark's Renewable Energy Park in Pajam, Negeri Sembilan.

Charismatic leadership by our Board of Directors has gravitated Cypark towards excellence for the past 16 years

Sustainability Governance

The initiation, drafting, and overview of the Sustainable Policy are under the purview and guidance of the Board of Directors, which consists of eminent persons that are highly experienced in multi-disciplinary fields. Any initiatives, including sustainability-related plans and strategies, from the Board of Directors will be executed and supported by the Senior Management. The Senior Management is also responsible for updating the Board on the effectiveness of sustainability-related programmes and initiatives undertaken throughout the year to ensure there is a successful integration of our financial goals, business strategy and business model with the environmental and social sustainability considerations. This cohesive arrangement has been proven through the successful launching of the Cypark's RM500 million perpetual Sukuk Musharakah.

Stakeholder Engagement

As part of its sustainability process, specifically in determining vital matters that are crucial for the Group and the environment, Cypark continues to actively engage various stakeholders as our business involves environmental-related activities. Thus, our stakeholders are not limited to authorities, clients, employees and shareholders only, but the communities as well.

The Group has always been working closely with various stakeholders, which allows Cypark to fully comprehend and complement various expectations and requirements from the stakeholders and enables us to better manage matter pertaining to sustainability and materiality. Hence, this directly improves our business operations and standing.

Sustainability Statement

Stakeholder	FYE 2020 Constructive Engagement	Results/Outcomes
Employees	• Corporate events • Meetings and gatherings • Trade events • Employee training	• Improves long-term technical and soft skills abilities of the Cypark community • Strengthens teamwork, camaraderie, and long term efficiency • Strengthens the Malaysian spirit of togetherness
Investors/ Shareholders	• One-on-one engagement • Company announcement • Financial results announcements • Circulars • Annual General Meetings (AGM) • Quarterly Analyst Briefing • Participation in Investor Relations events	• Being responsive and considerate of investors feedback and clarification • Improves the investor's perception and understanding of Cypark's existing and future business plans • Meeting or exceeding investor's expected targeted return
Government	• Meetings, dialogues sessions and briefings • Official visits • Outreach programmes • Participation in ministry events, sponsored events	• Contributes to the betterment of existing government policies and assists in the introduction of new policies. • Builds strong long-term rapport with the Government in order to cultivate a conducive business environment for the RE industry
Local Communities/ NGOs	• Involvement in community focused programmes • Involvement in corporate events • Organising Corporate Social Responsibility (CSR) activities • Foster strong relations with related NGOs	• Enhances the existing strong bond between the communities and Cypark • Contributes to the Government efforts in educating the communities on the importance of Environmental Preservation and Sustainable Eco-System
Media	• Press conference • General press/media releases • One-to-one media engagements • Dialogue sessions with media • Media invitations to corporate events	Maintains the existing excellent effort of media engagement in order to further enhance Cypark's branding
Industry	• Involvement in meetings, dialogue sessions and briefing • Organising official visits • Participation in sponsored events and corporate events such as Conference of Electric Power Supply Industry (CEPSI) 2020, International GreenTech and Eco Products Exhibition & Conference Malaysia – IGEM2020	Further enhances RE industry development in Malaysia through continued support of industry-based activities

Sustainability Statement

MARKETPLACE

Throughout the years, Cypark has been working persistently to create a conducive marketplace that complements the overall needs and objective of each stakeholder. These efforts have been crafted and executed after the evaluation of current key social and environmental issues. We emphasise on continual measures to support the economic sustainability of our operations.

Greenhouse Gas Reduction
Development of RE parks that reduce GHG emissions

Responsible Land Use
Solid Waste Modular Advance Recovery and Treatment Systems (SMART)

Assist Income Generation
World's-first innovation of Agriculture Integrated Photovoltaic (AIPV) system

Innovation and Research & Development (R&D)
Management Direction, Portfolio Management & Idea-to-Launch Process

Embracing Renewable Energy (RE)

RE has always been the Cypark's core business philosophy and strategy. Cypark is one of the few companies that are involved in various forms of RE business, namely solar, waste-to-energy (WTE), biogas, and biomass. We are also the market leader in the amount of RE sold to the grid and we will continue to be heavily involved in the industry especially in the newly implemented Malaysian Electricity Supply Industry (MESI) 2.0. We anticipate that MESI 2.0 will further enhance the acceptance of RE in Malaysia and the RE usage is expected to increase by ten-fold as compared to existing usage.

Renewable Energy Target

Malaysia Plan
6,000 MW of renewable energy installed capacity by the year 2025

Cypark Resources Berhad
231 MW of renewable energy capacity by the year 2021
500 MW of renewable energy by 2022

4.3 MWdc Renewable Energy Park in Jelebu, Negeri Sembilan

Sustainability Statement

Greenhouse Gas Reduction

Cypark is one of the few listed companies on Bursa Malaysia that can claim to have an operation with zero carbon emission and reduced Greenhouse Gas (GHG) emission. To date, the Group's RE parks, which are in commercial operations, have successfully avoided the emission of 237,704.13 tonnes of carbon dioxide (CO2) while generating 344,498.74 MWh renewable energy. This is in addition to the avoidance of other emissions including nitrogen oxide and sulphur dioxide. Reducing GHG emission has always been our continuous effort as part of our long-term sustainable business philosophy and our contribution to society.

The GHG reduction process is not only implemented in the energy generation activities but also in terms of land use to reduce vegetation clearance as per our green construction philosophy. We believe the future of generation lies in renewable and low-carbon sources of energy as stakeholders gravitate towards decarbonisation to mitigate climate change.

Responsible Land Use

Our modus operandi in the creation of RE parks always focuses on the use of non-productive and/or non-commercial areas, which is the main reason why our current RE parks are mainly located on landfill areas and rehabilitated landfill areas. These kind of land areas facilitate the process of lowering GHG emission because it will not involve any additional land acquisition and tree and vegetation clearing throughout the park creation process. The best example is our Ladang Tanah Merah RE Parks, which is located in a landfill area that houses a solar plant, a biogas engine and a WTE plant. This is the first in Malaysia and possibly in South East Asia that has a combination which adopts the Solid Waste Modular Advanced Recovery and Treatment System (SMART) methodology, Landfill Waste Management and other types of Renewable Energy.

To date, the Group has successfully remediated and converted up to 300 acres of non-productive lands and water bodies into income-generating areas. Furthermore, in order to have better land resources allocation for different projects, Cypark pursues collaborations with various entities from both public and private sectors. Our focus, however, remains on sourcing non-productive land or space where possible.

Assist Income Generation

We adopted and implemented the Agriculture Integrated Photo Voltaic (AIPV) system, which allows us to achieve clean energy generation as well as food crops cultivation and livestock rearing. The 1.075MW AIPV facility located in Kuala Perlis, Perlis and the 4MW solar plant in Jelebu has shown promising results so far on the co-existence of both activities, which are both commercially viable and can potentially be implemented in other future projects.

Year	Total Renewable Energy Generation (GWh)	USEPA Annual Avoidance of Carbon Dioxide Equivalent (Tonnes)
Total to date	344.50	237,704.13

Cypark's Renewable Energy Park located in Pajam was developed and constructed under a remediated landfill area

First and largest AIPV in Malaysia located in Kuala Perlis, Perlis

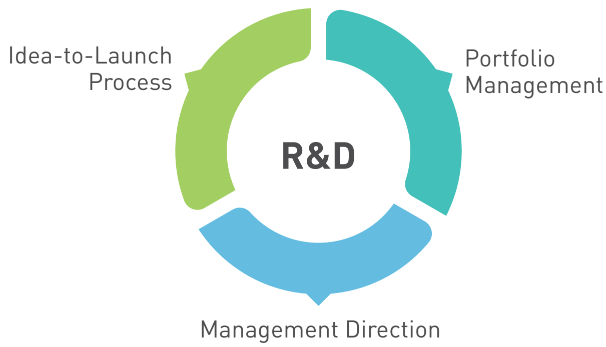
Innovation and Research & Development (R&D)

Innovation and R&D are key components that enable the Group to stay ahead of local competition and to be deemed on par with other internationally renowned RE companies. This was proven when Cypark became the only local company that won the previous Large Scale Solar (LSS) 3 tender.

Led by competent Malaysian Renewable Energy researchers, almost 2% of our revenue is allocated to fund the R&D. Our R&D team stands tall for having brought to Malaysia the ground-breaking, first-ever floating solar farm as well as WTE facility. Moreover, we are also the pioneer in introducing the innovated AIPV system to the world. Other notable achievement of our R&D include SMART inverter applications, enhanced solar panels, the incorporation of the Internet of Things in the form of energy management software and data sensors to improve monitoring and maintenance.

We will continue to emphasise the R&D of real-world applications, which are practical and commercially driven. For examples, research of vertical solar, enhancement of energy storage application, expanding the usage of biofuels sources and enhancement of solar energy generation facility. These applications shall accord further benefits in terms of cost efficiency and environmentally sustainability.

The R&D team is supervised by the Senior Management to ensure the R&D efforts are aligned with the business strategies and resources are utilised optimally to ensure commercial value.

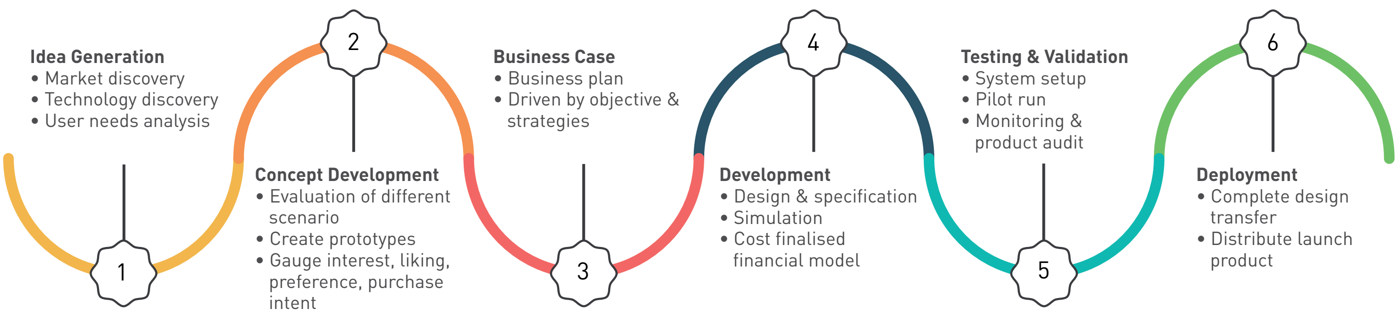


Our R&D Portfolio Management prioritises the projects based on the direction from management to ensure adequate resources are strategically allocated to the R&D projects for finest outcomes, especially when they are increasing projects coming into the pipeline.

The next phase is Idea-to-Launch Process. This critical step needs to be followed diligently by the business unit to ensure the R&D can be successfully commercialised, on time and budget. At the same time, it also ensures the R&D fits with the Cypark's business philosophy in ensuring environmental and economic sustainability.

Bringing Our Ideas to Life

Idea-to-Launch Process



Sustainability Statement

WORKPLACE

Human capital is Cypark's main asset. Hence, Cypark is committed to create a dynamic and environmentally stimulating workplace that can attract, retain and develop new and existing talent and bring out the best in them. We also recognise the immense value of our human capital and seek to build the competencies and capabilities of our people to realise their full potential while ensuring their health and safety.

The Group prides itself for having a diverse, multi-cultural workforce consisting of highly skilled local industry professionals, whom we believe are on par with their overseas counterpart. Furthermore, gender equality has been well entrenched and practised and will be further strengthened in the future.

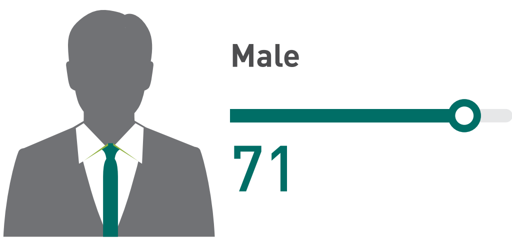
Employee Recruitment

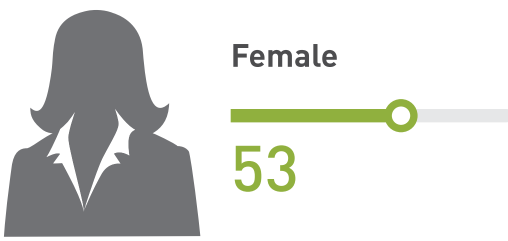
Our workforce continues to grow in FYE 2020 with 21 new hires as we believe a stronger workforce is needed to reinforce our business and achieve more productivity; resulting in the progress of the Group.

Of the employees hired, nine were women as we continue to provide women with equal employment opportunities in line with our values to be an equitable employer that recruits, retains and rewards employees based purely on merit and professional contribution and capabilities.

Employee empowerment is Cypark's main strategy in instilling great character and qualities

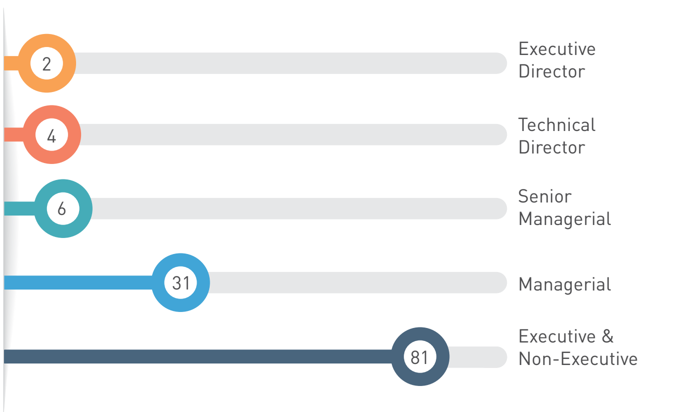
Employees by Gender



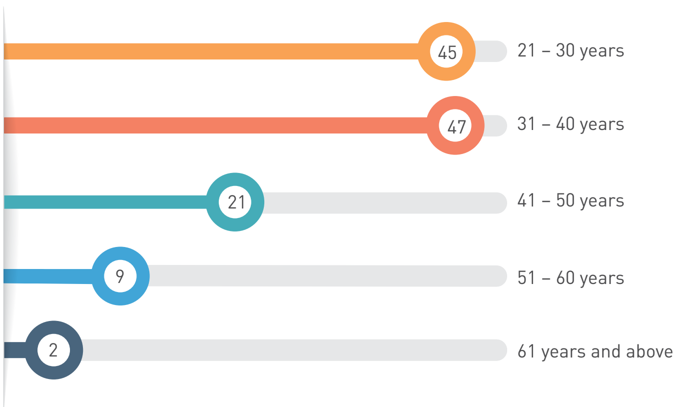


Sustainability Statement

Employees by Function



Employees by Age



Toolbox briefing at Cypark's SMART WTE Plant in Ladang Tanah Merah, Negeri Sembilan

Potential Development

To be amongst the renowned corporations in the renewable energy sector globally, we sought to empower our people with a nurturing ambience. Moving forward, we want Cypark's employees to grow with us so that they are able to adapt with the advancement of technology and new challenges.

In FYE 2020, seven personnel attended various training engagements pertaining to technical skills, compliance awareness, product knowledge, human resources, health, safety, security and environment, soft skills, leadership skills and finance. The Group focuses on boosting and maintaining core competencies and building new capabilities in technology and innovation.

Total Training Budget in FYE2020	Average Spending on Employees' Training	Average Training Hours per Employee
RM50,511	RM334	0.13hours

Health and Safety

As safety is the key element of our organisational culture, we continue to emphasise, maintain and cater a safe work environment for our workforce. Cypark is attentive in creating a safe and healthy workplace by eliminating work-related injuries and illness. We take pride in the strong track record that we have built in Cypark.

The Group has continued to inculcate a strong Health, Safety, and Environment (HSE) mindset and culture within the organisation, particularly for those who work onsite. This includes weekly safety toolbox briefing at construction sites, site inspections by senior management along with various internal and external training programmes.

Moreover, the Group has also launched various HSE campaigns through official communication channels as part of the on-going dissemination and propagation of safety-first mind set among employees. We believe in encouraging employees and workers to take ownership in ensuring safety in their respective work areas to prevent work-related hazards or perilous situations.

Sustainability Statement

ENVIRONMENT

The Group remains steadfast in our commitment to sustainable development and seeks to operate in a way that minimises environmental harm. We seek to uphold environmental concerns with emphasis on application of new technologies and industry best practises that are environmentally friendly.

Cypark continues its approach beyond developing conventional carbon emission reduction projects by rehabilitating contaminated landfills. The Group has successfully transformed non-productive, abandoned and degraded areas by remediating and converting up to 94,000 acres of area into environmentally friendly renewable energy projects which in the same time could generate income.

Greenhouse Gas Reduction

The Group's development of RE parks produce zero greenhouse gas (GHG) emissions compared to conventional fossil fuel based power facilities. Presently, the Group's RE parks have helped to successfully avoid 237,704.13 tonnes of Carbon Dioxide (CO2) while generating 344,498.74 MWh from renewable energy. This is in addition to avoid emissions of other emissions such as Nitrogen Oxide, Sulphur Dioxide, and many more.

	Current Year (2020)	Total To Date
Total Renewable Energy Generation (MWh)	60,772.26	344,498.74
USEPA annual avoidance of carbon dioxide equivalent (tonnes)	41,932.86	237,704.13
Coal fire Avoidance (tonnes)	7,464.96	42,316.51
Value of coal import avoided	4,352,487.88	24,672,878.55

Cypark's Total Renewable Energy Generation

344,498.74 MWh

Cypark's Total Coal Fire Avoidance

42,316.51 tonnes

Sustainability Statement

The strong demand received for our Empty Fruit Bunch (EFB) has resulted in Cypark continuously exporting these overseas

We are spirited to say that we are one of the few listed companies on Bursa Malaysia that are actively contributing to the reduction of carbon and GHG emission.

We pledge to minimise carbon footprint by embracing and reinforcing renewable energy generation and energy efficiency.

Circular Economy Model

Cypark subscribes to the models of the circular economy, where resources are to be optimised – recycled, preserved and kept in use for as long as possible – extracting the maximum value while simultaneously allowing these to regenerate for future use. Circular economy promotes production and consumption of sustainable and greener energy instead of burning non-renewable fossil fuels.

The Group believes that by adhering to the principles of a Circular Economy, the Group is able to better comprehend its sustainability goals. The circular Economy approach also directly contributes in addressing key issues such as climate change, resource depletion, and contamination of land and water and so on.

Courtesy visit by Sustainable Energy Development Authority (SEDA) Malaysia led by the Chief Executive Officer of SEDA, Ir. Dr. Sanjayan Velautham to SMART WTE Plant in Ladang Tanah Merah, Negeri Sembilan on 16 January 2020

Sustainability Statement

COMMUNITY

Cypark values our employees and views society as the most essential part of our sustainability voyage. We believe that capability building, social contribution and community development supports livelihoods by uplifting the economic as well as the social quality of life.

Donation for Yayasan Anak-Anak Yatim Pinggir Taman Tun Dr Ismail (PTTDI) Rumah Ihsan (left) and Pusat Jagaan Nur Hasanah (right) in conjunction with Raya Aidilfitri 2020 celebration

Although there were myriad challenges amidst the COVID-19 pandemic period, Cypark strived to engage in various society-focused programmes such as industry conferences and forums, government events and other related activities. Through our profiled engineers, we also facilitate educational institutions that approach us for any relating information on renewable energy projects.

All and all, we continue to educate our employees that CSR should be contemplated as a natural extension to our business model and footprint and should not be viewed entirely as a form of charity or societal outreach.

The Chinese New Year 2020 celebration held at The Saddle Coffee House, Bukit Kiara Equestrian & Country Resort on 4 February 2020

Board of Directors' Profile

TAN SRI RAZALI BIN ISMAIL

Executive Chairman
Non-Independent Executive Director

Date of Appointment: **01 October 2006**

Nationality | Age 82 | Gender Male | Number of Board Meetings Attended 5/5

Tan Sri Razali bin Ismail, a Malaysian, aged 82, was appointed to the Board on 1 October 2006. A substantial shareholder to the Company as well as founder of Cypark Sdn. Bhd., he is also a member of the Remuneration Committee.

Tan Sri Razali retired from government in 1998 after a career of over 35 years in the Malaysian Diplomatic Service. He held various posts including as Permanent Representative to the United Nations (UN).

At the UN, Tan Sri Razali was involved in articulating and developing positions in various bodies on issues such as development and sustainability, poverty and marginalisation, political reforms in the UN and issues of human rights and the environment. From 2000 – 2005, he was the UN Secretary-General's Special Envoy to Myanmar.

Tan Sri Razali is involved in the environmental industries specifically in renewable energy and solar. He was appointed as the Pro Chancellor of Universiti Sains Malaysia (USM), was the Chairman of the National Peace Volunteer Corp (Yayasan Salam), heads an NGO Project Board of Directors' Profile – Yayasan Chow Kit on street and displaced children, was on the Board of the Razak School of Government, and continues to promote the protection and replanting of mangroves. He was the Chairman of the Global Movement of Moderates Foundation. He retired as the Chair of the Human Rights Commission (Suhakam) in April 2019, after serving the position for 3 years since 2016.

Tan Sri Razali has attended five (5) out of the five (5) Board of Directors' Meetings held during the financial year ended 31 October 2020. He does not have any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest with the Company. He does not have any convictions for any offences within the past five (5) years or any public sanction or penalty imposed by regulatory bodies during the financial year ended 31 October 2020.

Tan Sri Razali does not hold directorship in any other public companies and listed issuers.

Board of Directors' Profile

DATO' DAUD BIN AHMAD

Group Chief Executive Officer
Non-Independent Executive Director

Date of Appointment: **01 October 2006**

Nationality	Age 55	Gender Male	Number of Board Meetings Attended 5/5

Dato' Daud bin Ahmad, a Malaysian, aged 55, was appointed to the Board on 1 October 2006 and is one of the co-founders of Cypark Sdn. Bhd. He was appointed as the CEO of Cypark since January 2001.

An Accountant by profession, Dato' Daud is a graduate of Pennsylvania State University, USA. He has also completed an Executive Management Programme at University of Chicago (Barcelona) and is a member of the Chartered Institute of Waste Management (CIWM), UK. He is also a member of the Solar Energy Industries Association (SEIA). Winner of the Ernst & Young "Technology Entrepreneur of the Year Award 2013" for Malaysia, Dato' Daud has over 30 years of experience including in the fields of International Business, Oil & Gas, Waste Management, Renewable Energy and Environmental Management. Prior to his involvement in Cypark, he worked for KPMG, Motorola Malaysia Sdn Bhd, ESSO Production Malaysia Inc. and Ayer Molek Berhad.

Dato' Daud has been the key driver of Cypark's successful journey to be the Malaysia's leading player in Renewable Energy and Environmental Sustainability business since 1999. Through Cypark which he co-founded in 1999, he has successfully implemented many innovative sustainability projects such as Solar Farm on Closed Landfills, Floating Solar Farm, Agri Integrated Solar Farm, Green Coal from EFB, and Integrated Waste to Energy. Under his prudent leadership, Cypark is currently undertaking the operation and development of 400MW RE project in the country.

Dato' Daud has attended five (5) out of the five (5) Board of Directors' Meetings held during the financial year ended 31 October 2020. He does not have any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest with the Company. He does not have any convictions for any offences within the past five (5) years or any public sanction or penalty imposed by regulatory bodies during the financial year ended 31 October 2020.

Dato' Daud does not hold directorship in any other public companies and listed issuers.

Board of Directors' Profile

DATUK ABDUL MALEK BIN ABDUL AZIZ

Independent Non-Executive Director

Date of Appointment: **19 September 2012**

Nationality | Age 83 | Gender Male | Number of Board Meetings Attended 5/5

Datuk Abdul Malek bin Abdul Aziz, a Malaysian, aged 83 was appointed to the Board on 19 September 2012. He was appointed by the Board as Chairman of the Risk Management Committee and a member of Remuneration Committee on 19 September 2012.

Datuk Malek served for close to four decades in the Malaysian Public Service commencing as Assistant Secretary and retired as Senior Deputy Secretary General in the Prime Minister's Department. Among the key positions he has held were Secretary to the National Security Council, Director General of Immigration, Deputy Secretary General of the Ministry of Home Affairs and Deputy Director General of the Public Services Department. He also served as Chairman of the Public Services Tribunal for almost a decade.

A law graduate from University of Singapore, he also holds a Diploma in International Relations and attended a course at the Royal College of Defence Studies, United Kingdom.

Datuk Malek has attended five (5) out of the five (5) Board of Directors' Meetings held during the financial year ended 31 October 2020. He does not have any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest with the Company. He does not have any convictions for any offences within the past five (5) years or any public sanction or penalty imposed by regulatory bodies during the financial year ended 31 October 2020.

Datuk Malek does not hold directorship in any other public companies and listed issuers.

Board of Directors' Profile

DATO' DR. FREEZAILAH BIN CHE YEOM

Independent Non-Executive Director

Date of Appointment: **8 June 2010**

Nationality | Age 81 | Gender Male | Number of Board Meetings Attended 5/5

Dato' Dr. Freezailah bin Che Yeom, a Malaysian, aged 81, was appointed to the Board on 8 June 2010. He was appointed by the Board as Chairman of the Audit Committee on 22 September 2010 and is also the Chairman of the Nomination Committee and Remuneration Committee.

He obtained a First Class Honours degree in Forestry and a PhD in Ecology from Edinburgh University (EU) in 1963 and 1974 respectively. Dato' Dr. Freezailah served as an Advisor to the Ministry of Plantation Industries and Commodities on negotiations with the EU to conclude an agreement on timber legality certification. He was also the Chairman of the Malaysian Timber Certification Council, a post he held since the inception of the Council in 1999 until 2016. He previously served the Forestry Department of Peninsular Malaysia and held several senior positions such as Deputy Chief Research Officer of the Forest Research Institute, Director of Forestry in the States of Kelantan and Pahang and Deputy Director-General of Forestry. In 1986, Dato' Dr. Freezailah was elected as the founding Executive Director of the International Tropical Timber Organisation (ITTO), created by the United Nations, to promote the conservation and sustainable development of tropical forests. Based in Yokohama, Japan, he served the ITTO for 13 years and contributed to its establishment and development of the organisation into a respected global organisation.

Dato' Dr. Freezailah has attended five (5) out of the five (5) Board of Directors' Meetings held during the financial year ended 31 October 2020. He does not have any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest with the Company. He does not have any convictions for any offences within the past five (5) years or any public sanction or penalty imposed by regulatory bodies during the financial year ended 31 October 2020.

Dato' Dr. Freezailah does not hold directorship in any other public companies and listed issuers.

Board of Directors' Profile

ENCIK MEGAT ABDUL MUNIR BIN MEGAT ABDULLAH RAFAIE

Independent Non-Executive Director

Date of Appointment: **1 August 2012**

Nationality	Age 51	Gender Male	Number of Board Meetings Attended 5/5

Encik Megat Abdul Munir bin Megat Abdullah Rafaie, a Malaysian, aged 51, was appointed to the Board on 1 August 2012. He was appointed by the Board as a member of the Audit Committee, Nomination Committee and Risk Management Committee on 1 August 2012.

He is a founding partner of the legal firm Messrs. Zain Megat & Murad and leads the Kuala Lumpur branch as well as two of the firm's practice areas. These are namely Corporate Commercial and the Foundation Laws practice areas. He advises on foreign investments, mergers and acquisitions, listing and compliance requirements as well as queries from Bursa Malaysia Securities Berhad and the Securities Commission Malaysia. Since 1999, he has been a Director of a Taiwanese global multi-national company based and listed in Malaysia, namely Tong Herr Resources Berhad, and was entrusted to chair its Audit Committee since 2002.

A graduate in Bachelor of Laws from International Islamic University Malaysia, he was called to the Malaysian Bar in 1994.

Encik Megat Abdul Munir has attended five (5) out of the five (5) Board of Directors' Meetings held during the financial year ended 31 October 2020. He does not have any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest with the Company. He does not have any convictions for any offences within the past five (5) years or any public sanction or penalty imposed by regulatory bodies during the financial year ended 31 October 2020.

Board of Directors' Profile

ENCIK HEADIR BIN MAHFIDZ

Independent Non-Executive Director

Date of Appointment: **7 September 2010**

Nationality	Age 55	Gender Male	Number of Board Meetings Attended 5/5

Encik Headir bin Mahfidz, a Malaysian, aged 55, was appointed to the Board on 7 September 2010. He was appointed by the Board as a member of the Audit Committee on 22 September 2010, Nomination Committee on 1 January 2012 and Risk Management Committee on 1 August 2012.

He graduated from the University of Tasmania, Australia with a Bachelor of Commerce degree in 1989. In 1992, he earned his qualification as a Certified Practising Accountant, certified by CPA Australia, where he was awarded the FCPA status in December 2018. He is also a Member of the Malaysian Institute of Accountants, being admitted since 1996.

He obtained his Certified Professional Shariah Auditor (CPSA) status in December 2019.

Encik Headir has attended five (5) out of the five (5) Board of Directors' Meetings held during the financial year ended 31 October 2020. He does not have any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest with the Company. He does not have any convictions for any offences within the past five (5) years or any public sanction or penalty imposed by regulatory bodies during the financial year ended 31 October 2020.

Encik Headir does not hold directorship in any other public companies and listed issuers.

Key Senior Management's Profile

DOREEN TAN SWEE LOON

Finance Director

Nationality Malaysian | Age 58 | Gender Female

Qualifications:
- Bachelor of Commerce (Accountancy), University of Queensland, Australia
- Chartered Accountant member of the Malaysian Institute of Accountants
- CPA member of CPA Australia
- Member of the Institute of Certified Public Accountants of Singapore

Working Experiences:
- More than 32 years of professional and commercial experience in the areas of audit, accounting and finance in various industries, having worked in among others, KPMG Peat Marwick Singapore, Chinese Development Assistance Council Singapore, Singapore-Suzhou Township Development Pte Ltd, Westport Holdings Sdn Bhd and Messrs Monteiro and Heng.
- Joined the Group as Group Financial Controller in 2002.

Appointment to the Current Position:
- 1 October 2010

FAIZAL BIN YUSOF

Director of Engineering & Construction

Nationality Malaysian | Age 42 | Gender Male

Qualifications:
- Bachelor of Engineering in Civil and Structural, Universiti Kebangsaan Malaysia
- Master Degree in Business Administration, Universiti Kebangsaan Malaysia
- Registered engineer with the Board of Engineers Malaysia
- Registered engineer with the Board of Engineers Dubai Municipality

Working Experiences:
- More than 22 years of working experience in the region of Asia and Middle East, comprising energy, construction, and engineering i.e. high rise, hospital, highway, university, infrastructure, property development, asset facilities management, operation and maintenance.
- Held various key positions in reputable projects as Head of Country, General Manager, Project Director and Head of Project Management Office (PMO)
- Last position held prior to joining the Group in 2016 was Head of Country of UAE office and General Manager at Zelan Group of Companies.

Appointment to the Current Position:
- 7 October 2016

Key Senior Management's Profile

MOHD HILMY BIN ABDULLAH ZAWAWI

Head of Engineering and Technical

Nationality Malaysian | Age 35 | Gender Male

Qualifications:
- Bachelor of Engineering (Hons) in Electrical Engineering, Universiti Teknikal Malaysia, Melaka
- Completed an Executive Education (General Management Programme) at National University of Singapore in 2019
- Registered engineer with the Board of Engineers Malaysia

Working Experiences:
- More than 12 years of working experience in the areas of engineering design, quality assurance and control, construction and project management, operation & maintenance and research & development.
- Successfully led the team in the design and development of Agri-Integrated Solar Photovoltaic (AIPV) which has been patented in Malaysia, Thailand, Indonesia, China, India, Vietnam and Philippines.
- Last position held prior to joining the Group in January 2012 was Project Engineer for Megasteel Sdn. Bhd.
- He has served and moved up the ranks in the Group and promoted to current position.

Appointment to the Current Position:
- 1 July 2020

WAN MARINI BINTI WAN SALLEH

Accounting Manager

Nationality Malaysian | Age 42 | Gender Female

Qualifications:
- Bachelor of Accountancy (Hons), Universiti Kebangsaan Malaysia
- Chartered Accountant member of the Malaysia Institute of Accountants

Working Experiences:
- More than 20 years of experience in the areas of accounting and finance
- Has worked in various private companies in industries, ranging from oil and gas, commodity trading and hospitality prior to joining the Group in 2015.

Appointment to the Current Position:
- 1 July 2015

Additional notes on key senior management

None of the key senior management has any:
1. Directorship in public companies and listed issuers;
2. Family relationship with any director or/and major shareholder of Cypark Resources Berhad;
3. Conflict of interests with the Company; and
4. Conviction for offences within the past five (5) years, and public sanction or penalty imposed by the relevant regulatory bodies on him or her during the financial year ended 31 October 2020, which require disclosure pursuant to paragraph 4A(g) of Part A of Appendix 9C of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Corporate Governance Overview Statement

The Board of Directors of Cypark Resources Berhad (**"the Company"** or **"CRB"**) (the **"Board"**) recognises the importance of practising high standards of corporate governance in the best interest of CRB and its stakeholders, and to protect and enhance shareholders' value and the performance of the Company and its subsidiaries (the **"Group"**).

The Board is pleased to present this Corporate Governance ("**CG**") Overview Statement (the **"Statement"**) to provide an overview of the CG practices adopted by the Company in achieving the intended outcomes as set out in the new Malaysian Code on Corporate Governance (**"MCCG"**) with reference to the following three (3) key principles, under the stewardship of the Board:

(a) Principle A : Board Leadership and Effectiveness;

(b) Principle B : Effective Audit and Risk Management; and

(c) Principle C : Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

This Statement also serves as a compliance with Paragraph 15.25(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (**"Bursa Securities"**) (**"MainLR"**) and should be read together with the CG Report of the Company for the financial year ended 31 October 2020 (**"FYE 2020"**) published on the Company's website at http://www.crbenv.com.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

Intended Outcome 1.0

Every company is headed by a Board, which assumes responsibility for the Company's leadership and is collectively responsible for meeting the objectives and goals of the Company.

1.1 The Board relies on the reports provided by the Group Chief Executive Officer (**"GCEO"**) who oversees the entire business and operations of the Group in setting the Company's strategic aims. At each Audit Committee (**"AC"**) meeting and Board meeting, and as and when the need arises, the GCEO will brief the Directors on the current operations, issues faced and plans of the Group in order for the Board to be kept abreast on the conduct, business activities and development of the Company, and to discuss and advise the Management in its formulation of the Company's business strategies, both short-term and long-term. Discussions would include the deployment of resources efficiently and effectively in achieving the objectives to be met. In making its decisions, the Board would be guided by the Company's values and standards.

In the discharge of the Board's duties and responsibilities, the Board has delegated certain duties and responsibilities to four (4) other Board Committees namely, the AC, Risk Management Committee (**"RMC"**), Nomination Committee ("**NC"**) and Remuneration Committee (**"RC"**) to assist the Board in overseeing the Company's affairs and in deliberation of issues within their respective functions and terms of reference (**"TOR"**), which outline clearly their objectives, duties and powers. The Chairman of each Committee will report to the Board on the outcome of the Committee's meetings and resolutions, which would also include the key issues deliberated at the Committee's meetings.

1.2 The Board is chaired by Tan Sri Razali bin Ismail, who is able to provide effective leadership, strategic direction and necessary governance to the Group.

Corporate Governance Overview Statement

1.3 The positions of the Chairman and GCEO of the Company are held by two (2) different individuals and each has a clear accepted division of responsibilities to ensure a balance of power and authority, such that no one individual has unfettered powers in decision making.

The Chairman is primarily responsible for the achievement of the Group's strategic vision and also for leading the Board in its collective oversight of management, while the GCEO has overall responsibilities over the business operations and day-to-day management of the Group and the implementation of the Board's policies and decisions. These division of responsibilities are set out in the Company's Board Charter.

1.4 The Company is supported by two (2) suitably qualified and competent Company Secretaries. Both Company Secretaries are qualified Chartered Secretaries as per Section 235(2)(a) of the Companies Act 2016 and are Fellow members of the Malaysian Association of the Institute of Chartered Secretaries and Administrators (MAICSA).

The Company Secretaries are the external Company Secretaries from Securities Services (Holdings) Sdn. Bhd. with vast knowledge and experience from being in public practice and are supported by a dedicated team of company secretarial personnel.

During the FYE 2020, the Company Secretaries had discharged their duties and responsibilities accordingly, and had and will continue to constantly keep themselves abreast on matters concerning company law, the capital market, CG, and other pertinent matters, and with changes in the regulatory environment through continuous training and industry updates.

The Board is satisfied with the performance and support rendered by the Company Secretaries in discharging their functions and duties.

1.5 Meeting materials are circulated to Directors at least five (5) business days in advance of the Board/Board Committee meetings. The Minutes of Board/Board Committee meetings are circulated to the respective Chairman of the meetings in a timely manner for review before they are confirmed and adopted by members of the Board/Board Committee at their respective meetings.

Intended Outcome 2.0

There is demarcation of responsibilities between the Board, Board Committees and Management.

There is clarity in the authority of the Board, its Committees and individual Directors.

2.1 The Board has a Board Charter, which includes a formal schedule of matters reserved for the Board. The said schedule details the responsibilities of the Board and Board-Management relationship, including management limitations. With this, the respective functions, roles and responsibilities of the Directors and Management are clearly set out in the Board Charter as guidance and clarity to enable them to effectively discharge their duties.

The Board Charter also includes an outline on what is expected of Directors in terms of their commitment, roles and responsibilities as Board Members. The Board Charter is published and available on the Company's website at http://www.crbenv.com.

The Board has identified Dato' Dr. Freezailah bin Che Yeom to be the Senior Independent Director, who acts as:

- a sounding board for the Executive Chairman;
- an intermediary for other Directors where necessary; and
- the point of contact for shareholders and other stakeholders.

Corporate Governance Overview Statement

Activities of the NC

During the FYE 2020, the NC has undertaken the following activities in the discharge of its duties:

(i) reviewed and confirmed the Minutes of the NC meetings held;

(ii) examined the composition of the Board;

(iii) reviewed the required mix of skills, experience and other qualities of the Board;

(iv) reviewed the contribution and performance of each individual director to assess the character, experience, integrity, and competence to effectively discharge their role as a Director through a comprehensive assessment system;

(v) conducted evaluation to assess the effectiveness of the Board as a whole and the Board Committees;

(vi) reviewed the term of office of the AC and assessed its effectiveness as a whole;

(vii) reviewed the independence of the Independent Directors and assessed their ability to bring independent and objective judgement to Board deliberations;

(viii) recommended the re-election of the directors who are to retire by rotation at the Fifteenth Annual General Meeting (**"AGM"**); and

(ix) reviewed the meeting attendance of the Board and Board Committees.

During the FYE 2020, the Board had convened a total of six (6) Board Meetings for the purposes of deliberating on the Company's quarterly financial results and discussing other strategic and important matters. During the Board Meetings, the Board reviewed the operations and performance of the Group and other strategic issues that may affect the Group's business. Relevant senior management members were invited to attend some of the Board Meetings to provide the Board with their views and clarifications on issues raised by the Directors.

The NC noted that the Directors, to the best of their ability, have devoted sufficient time and effort to attend Board and/or Board Committee meetings for the FYE 2020.

The attendance of Directors during the FYE 2020 is set out below:

Directors	Directorship	Board	AC	RMC	NC	RC
Tan Sri Razali bin Ismail	Executive Chairman	6/6	Not member	Not member	Not member	1/1
Dato' Daud bin Ahmad	GCEO	6/6	Not member	Not member	Not member	Not member
Dato' Dr. Freezailah bin Che Yeom	Independent Non-Executive Director (**"INED"**)	6/6	6/6	Not member	2/2	1/1
Encik Headir bin Mahfidz	INED	6/6	6/6	4/4	2/2	Not member
Encik Megat Abdul Munir bin Megat Abdullah Rafaie	INED	6/6	6/6	4/4	2/2	Not member
Datuk Abdul Malek bin Abdul Aziz	INED	6/6	Not member	4/4	Not member	1/1

Corporate Governance Overview Statement

In order for the Group to remain competitive, the Board ensures that the Directors continuously enhance their skills and expand their knowledge to meet the challenges of the Board.

Upon assessing the training needs of the Directors, the Board recognised that continuing education would be the way forward in ensuring its members are continually equipped with the necessary skills and knowledge to meet the challenges ahead.

During the FYE 2020, the continuous trainings attended by the Directors were as follows:

Conference/Seminar/Forum/Discussion/ Workshop/Training	Organisor/Venue	Date
CGS-CIMB 12th Annual Malaysia Corporate Day	Mandarin Oriental Hotel, Kuala Lumpur	6 January 2020
Public Lecture on "International Governing Organisation: Reforming the United Nations Issues and Challenges"	Pusat Pengajian Pertahanan Nasional (PUSPAHANAS), Maktab Ketahanan Nasional, No. 1, Jalan Puspahanas P1, Presint 1, 62000 Putrajaya	15 January 2020
Global Drone Conference & Hackathon	MITEC, Jalan Duta	2 & 3 March 2020
Audit of Key Concerns Due to COVID-19 Outbreak & under MCO Circumstances	Association of Malay Chartered Accountants Firm Malaysia/Webinar	7 May 2020
Further Issues on Auditing under COVID-19 Outbreak & MCO Restrictions	Association of Malay Chartered Accountants Firm Malaysia/Webinar	21 May 2020
The Impact of COVID-19 on Compliance with Various MFRS/IFRS	Malaysian Institute of Accountants/ Webinar	9 June 2020
ISA 240: The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements	Malaysian Institute of Accountants/ Webinar	11 & 12 June 2020
MIA Town Hall 2020 – National	Malaysian Institute of Accountants/ Webinar	22 June 2020
Comprehensive Tax Updates	Malaysian Institute of Accountants/ Webinar	23 June 2020
Audit Sampling Procedures Incorporating ISA 300, 315, 450, 500, 530 and Other Relevant ISAs	Malaysian Institute of Accountants/ Webinar	25 June 2020
Shariah Audit and Assurance In IFIS: Governance, Process and Planning	Centre for Research and Training/ Webinar	15 July 2020
Projek Bina Bangsa by PUSAKA	Cypark Resources Berhad	17 July 2020
Shariah Audit and Assurance in IFIS: Fieldwork, Procedures and Reporting	Centre for Research and Training/ Webinar	17 July 2020
Audit Sampling Made Simple Training	AXP Solutions Sdn. Bhd./Webinar	10 August 2020
Accounting Considerations of the COVID-19 Pandemic and Economic Recession	Malaysian Institute of Accountants/ Webinar	18 August 2020
Modified Audit Opinion, ISA 705 - Why and How to Modified Audit Opinion	Association of Malay Chartered Accountants Firm Malaysia/Webinar	25 August 2020
National Tax Conference 2020	Chartered Tax Institute Of Malaysia/ Webinar	25 & 26 August 2020

Corporate Governance Overview Statement

Conference/Seminar/Forum/Discussion/ Workshop/Training	Organisor/Venue	Date
Emerging MFRS/MPERS Considerations of the COVID-19 Pandemic	Malaysian Institute of Accountants/ Webinar	2 September 2020
Overall Objective of an Audit, ISA 200	Association of Malay Chartered Accountants Firm Malaysia/Webinar	8 September 2020
Practical Audit Series Training – Control Testing, Substantive Procedures, Analytical Procedures, Audit Evidence & Stock Take Observations	Association of Malay Chartered Accountants Firm Malaysia/AMCAF Seminar Room	9 September 2020
Practical Audit Series Training - Control Testing, Substantive Procedures, Analytical Procedures, Audit Evidence & Stock Take Observations	Association of Malay Chartered Accountants Firm Malaysia/Webinar	22 & 23 September 2020
PKNS Legal Clinic "Suatu Pemahaman: Akta COVID-19 2020	Bangunan Ibu Pejabat PKNS	24 September 2020
Peace Proposal Webinar by Soka Gakkai Malaysia (SGM)	Soka Gakkai Malaysia Culture Centre	26 September 2020
Planning and Risk Assessment in Audits of Financial Statements, Including Considerations During a Pandemic	Association of Malay Chartered Accountants Firm Malaysia/AMCAF Seminar Room	7 October 2020
Interview Session with ASTRO Awani in Conjunction with the 75th Anniversary of the Establishment of the United Nations (UN) by Wisma Putra	ASTRO Awani	12 October 2020
The Auditor's Responses to Assess Risks	Association of Malay Chartered Accountants Firm Malaysia/Webinar	28 October 2020
Impact of ISA 570 (Revised) on Auditors	Association of Malay Chartered Accountants Firm Malaysia/Webinar	10 November 2020
Seminar Percukaian Kebangsaan	Lembaga Hasil Dalam Negeri Malaysia/Webinar	16 November 2020
Planning and Risk Assessment in Audits of Financial Statements, Including Considerations During a Pandemic	Association of Malay Chartered Accountants Firm Malaysia/Webinar	17 & 18 November 2020
COVID-19 Pandemic: Managing Liquidity and Strategic Response Post – MCO	Association of Malay Chartered Accountants Firm Malaysia/Webinar	26 November 2020
Shariah Audit Conference 2020: Mainstreaming Shariah Audit in Islamic Finance	Malaysian Institute of Accountants/ Webinar	1 & 2 December 2020

The Directors had also continuously kept themselves abreast of the relevant developments in the marketplace through the updates and briefings by the Company Secretaries, Internal Auditors and External Auditors, communications with other Directors, as well as daily work exposures throughout the year.

Corporate Governance Overview Statement

Intended Outcome 3.0

The Board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The Board, Management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the Company.

3.1 The Company had established the Code of Conduct and Ethics ("**CCE**") that are applicable to all Directors, Management and employees of the Group, which set forth the ethical and professional standards of corporate and individual behaviour expected to enhance the standard of corporate governance and corporate behaviour. This includes areas concerning human rights, health and safety, environment, gifts and business courtesies, company records and internal controls, company's assets, exclusive service, integrity and professionalism, personal appearance, confidential information and compliance obligations.

In line with the amendment of the Malaysian Anti-Corruption Commission Act, which is the new Section 17A on corporate liability for corruption, the Company has adopted an Anti-Bribery and Corruption Policy ("**ABC Policy**") on 29 May 2020.

The said CCE and ABC Policy are available on the Company's website at http://www.crbenv.com.

3.2 The Board has adopted a Whistleblowing Policy to facilitate the whistleblower to report or disclose through established channels about any violations or wrongdoings they may observe in the Group without fear of retaliation should they act in good faith when reporting such concerns.

Only genuine concerns should be reported under the whistleblowing procedures. The report should be made in good faith with a reasonable belief that the information and any allegations made are substantially true and the report is not made for personal gain. Malicious and false allegations will be viewed seriously and treated as a gross misconduct and if proven may lead to dismissal.

II. BOARD COMPOSITION

Intended Outcome 4.0

Board decisions are made objectively in the best interests of the Company taking into account diverse perspectives and insights.

4.1 The Board currently comprises two (2) Executive Directors and four (4) INED. Such composition is able to provide an unbiased and independent and objective judgement to facilitate a balanced leadership in the Group as well as providing effective check and balance to safeguard the interest of the minority shareholders and other stakeholders, and ensuring high standards of conduct and integrity are maintained.

4.2 The NC had assessed the performance and independence of Dato' Dr. Freezailah Bin Che Yeom and Encik Headir Bin Mahfidz, who would reach a tenure of more than nine (9) years as Independent Directors on 8 June 2021 and 7 September 2021 respectively.

The Board, being satisfied with the justifications and criteria based on the recommendation of NC, shall be seeking the shareholders' approval at this forthcoming AGM of the Company on the retention of their directorate as Independent Directors.

4.3 The Board has not adopted a policy which limits the tenure of its Independent Directors to nine (9) years as disclosed in the Board Charter.

Corporate Governance Overview Statement

4.4 The Board recognises the benefits of having a diverse Board in order to offer greater depth and breadth to Board discussions and constructive debates at senior management level.

The Group is an equal opportunity employer and all appointments to the Board and employment of senior management are based on objective criteria, merit, skills and experience, and may not be driven by any age, cultural background or gender considerations.

4.5 Currently, the Board does not have any formalised Board Diversity Policy or Gender Diversity Policy. Women representation on the Board and in senior management will be taken into consideration when vacancies arise and suitable candidates are identified, underpinned by the overriding primary aims of selecting the best candidate to support the achievement of the Company's strategic objectives.

4.6 The Board, together with the senior management would consider various sources, including independent sources if relevant, if it wishes to search for appropriate candidates to fulfil Board positions. The NC would assess their suitability based on the relevant criteria as may be identified by the NC from time to time.

4.7 The NC is chaired by Dato' Dr. Freezailah bin Che Yeom, who is a Senior Independent Director. He had led the annual review of Board effectiveness, ensuring that the performance of each individual Director is independently assessed and will lead the succession planning and appointment of future Board members.

Intended Outcome 5.0

Stakeholders are able to form an opinion on the overall effectiveness of the Board and individual Directors.

5.1 During the FYE 2020, the Board, through the NC, has conducted the following annual assessments to determine the effectiveness of the Board, its Committees and each individual Director in the FYE 2019:

(i) Directors' self/peer evaluation;

(ii) Board and Board Committee performance evaluation;

(iii) Board Skills Matrix;

(iv) AC members' peer evaluation; and

(v) Assessment of Independent Directors.

Based on the aforesaid evaluations conducted during the FYE 2020, the NC and the Board were satisfied with the performance of each Director, the Board as a whole, and the Board Committees.

Corporate Governance Overview Statement

III. REMUNERATION

Intended Outcome 6.0

The level and composition of remuneration of Directors and Senior Management take into account the Company's desire to attract and retain the right talent in the Board and Senior Management to drive the Company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

6.1 The Board has in place Policies and Procedures to Determine the Remuneration of Directors and Senior Management that sets out the criteria to be used in recommending remuneration packages for the Executive Directors, Non-Executive Directors and any senior management personnel.

6.2 Currently, the RC comprises two (2) INEDs and the Executive Chairman.

Intended Outcome 7.0

Stakeholders are able to assess whether the remuneration of Directors and Senior Management is commensurate with their individual performance, taking into consideration the Company's performance.

7.1 The breakdown of the remuneration of each individual Director from the Company (no other remuneration from the Group) for the FYE 2020 is as follows:

Name of Director	Directors' Fee (RM'000)	Salaries and Bonus (RM'000)	Defined Contribution Plan (RM'000)	Social Security Contribution (RM)	ESOS (RM'000)
Executive Director					
Tan Sri Razali bin Ismail	–	4,046	486	593	392
Dato' Daud bin Ahmad	–	3,485	418	829	1,092
Total	**–**	**7,531**	**904**	**1,422**	**1,484**
Non-Executive Directors					
Dato' Dr. Freezailah bin Che Yeom	198	–	–	–	29.4
Datuk Abdul Malek bin Abdul Aziz	132	–	–	–	16.8
Encik Megat Abdul Munir bin Megat Abdullah Rafaie	159	–	–	–	29.4
Encik Headir bin Mahfidz	173	–	–	–	29.4
Total	**662**	**–**	**–**	**–**	**105**

Corporate Governance Overview Statement

7.2 The Board has opted not to disclose on a named basis the remuneration in the bands of RM50,000/- for the top five (5) senior management for the best interest of the Group and also by virtue that the information is subject to the Personal Data Protection Act 2010, that requires written consent from the respective Senior Management personnel for disclosure of their personal data to the public at large. The Board also took into consideration the sensitivity, security, and issue of employee morale. Alternatively, the Group disclosed the top four (4) senior management's remuneration on an aggregate basis as follows:

	RM'000
Short term employee benefit	3,685
Defined contribution plan	362
Other benefits	5
Employees' Share Option Scheme	621

7.3 The detailed remuneration of each member of senior management on a named basis will not be disclosed for confidentiality purposes.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

Intended Outcome 8.0

There is an effective and independent AC.

The Board is able to objectively review the AC's findings and recommendations. The Company's financial statement is a reliable source of information.

8.1 The AC is chaired by Dato' Dr. Freezailah bin Che Yeom, who is an INED, while the Chairman of the Board is Tan Sri Razali bin Ismail, a Non-Independent Executive Chairman. This had ensured that the objectivity of the Board's review of the AC's findings and recommendations is not impaired.

8.2 The AC has not adopted a policy that requires a former key audit partner to observe a cooling-off period of at least two (2) years before being appointed as a member of the AC.

However, none of the AC members were former key audit partners and in order to uphold the utmost independence, the Board has no intention to appoint any former key audit partner as a member of the AC.

8.3 During the FYE 2020, the AC completed the assessments adopted by the Company. The AC was of the view that Messrs. Mazars PLT is suitable, objective and independent to be re-appointed based on the following justifications. The Board had in turn, recommended the same for shareholders' approval at the 2020 AGM of the Company.

8.4 The AC comprises solely Independent Directors.

8.5 The Board ensured that the AC as a whole is financially literate and has sufficient understanding of the Group's business and matters under the purview of the AC including the financial reporting process. The AC has reviewed and provided advice on the financial statements which provide a true and fair view of the Company's financial position and performance.

All members of the AC have also undertaken and will continue to undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules as and when required.

Corporate Governance Overview Statement

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

Intended Outcome 9.0

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The Board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the Company's objectives is mitigated and managed.

9.1 The Board, through the RMC, monitors risks and internal control.

9.2 The Board, through the RMC, monitors risks and internal control via an 'Enterprise Risk Management Continued Risk Identification Monitoring and Reporting to Risk Committee/Board', which is a comprehensive report tabling the current status, action taken and conclusion of the key risks identified in every quarter.

9.3 The Risk Management Committee comprises three (3) INEDs.

Intended Outcome 10.0

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

10.1 The internal audit function of the Group is carried out by an outsourced professional service firm, namely Crowe Governance Sdn. Bhd. The outsourced Internal Auditors report directly to the AC and provide the Board with a reasonable assurance of adequacy of the scope, functions and resources of the internal audit function.

The internal audit function is independent and performs audit assignments with impartiality, proficiency and due professional care.

The internal audit review of the Group's operations encompasses an independent assessment of the Company's compliance with its internal controls and recommendations are made for further improvement.

During the FYE 2020, the AC had reviewed and assessed the adequacy of the scope, functions, competency and resources of the outsourced Internal Auditors and that they have the necessary authority to carry out their work.

10.2 The outsourced internal audit function is headed by Mr. Amos Law, who is a Certified Internal Auditor (CIA), Chartered Institute of Internal Auditors (CMIA) and Certification in Risk Management Assurance (CRMA). A total of six (6) personnel are deployed by Crowe Governance Sdn. Bhd. for the internal audit works during the FYE 2020.

All the internal audit personnel involved are free from any relationships or conflicts of interest, which could impair their objectivity and independence. All the internal audit personnel are guided by International Professional Practices Framework issued by the Institute of Internal Auditors Malaysia in carrying out the internal audit function.

Corporate Governance Overview Statement

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. COMMUNICATION WITH STAKEHOLDERS

Intended Outcome 11.0

There is continuous communication between the Company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the Company, its policies on governance, the environment and social responsibility.

11.1 The Board recognises the need for transparency and accountability to the Company's shareholders and regular communication with its shareholders, stakeholders and investors on the performance and major developments in the Company.

The Board ensures that there is effective, transparent and regular communication with its stakeholders through a variety of communication channels as follows:

(a) Announcements to Bursa Securities

Material information, updates and periodic financial reports are published on a timely basis through announcements to Bursa Securities.

Shareholders and investors can obtain the Company's latest announcements such as quarterly financial results in the dedicated website of Bursa Securities or at the Company's website at http://www.crbenv.com.

(b) Annual Reports

The Company's annual reports to the shareholders remain the central means of communicating to the shareholders, amongst others, the Company's operations, activities and performance for the past financial year end as well as the status of compliance with applicable rules and regulations.

(c) AGM/General Meetings

The AGM/general meetings which are used as the main forum of dialogue for shareholders to seek and clarify any issues pertaining to the Company.

(d) Corporate Website

The Company's corporate website provides a myriad of relevant information on the Company and is accessible by the public.

(e) Investor Relations

Shareholders and other interested parties are welcome to contact the Company should they have any comments, questions or concerns, by writing in, via telephone or facsimile to the Company's general email address.

11.2 The Company is not categorised as a "Large company" and hence, has not adopted integrated reporting based on a globally recognised framework.

Corporate Governance Overview Statement

II. CONDUCT OF GENERAL MEETINGS

Intended Outcome 12.0

Shareholders are able to participate, engage the Board and Senior Management effectively and make informed voting decisions at general meetings.

12.1 The AGM provides an opportunity for the shareholders to seek and clarify any issues pertaining to the Group and to have a better understanding of the Group's activities and performance. Both individuals and institutional shareholders are encouraged to meet and communicate with the Board at the AGM and to vote on all resolutions.

The Annual Report, which contains the Notice of Fifteenth AGM, was sent to shareholders at least twenty-eight (28) days prior to the date of the meeting to give sufficient time to shareholders to consider the resolutions that will be discussed and decided at the AGM. The Notice of AGM, which sets out the businesses to be transacted at the AGM, was also published in a major local newspaper.

The notes to the Notice of AGM also provide the necessary explanation for each resolution proposed to enable shareholders to make informed decisions in exercising their voting rights.

Due to the COVID-19 pandemic and the extension of the Movement Control Order ("**MCO**") period in Malaysia, the Fifteenth AGM could not be held as scheduled. The Notice of Postponed Fifteenth AGM was still sent to shareholders at least twenty twenty-eight (28) days prior to the date of the meeting to give sufficient time to shareholders to consider the resolutions discussed and decided at the AGM.

12.2 All the Directors of the Company attended the Postponed Fifteenth AGM of the Company held on 18 June 2020 virtually to engage with the shareholders proactively. In compliance with the MCCG, all the Directors of the Company will endeavour to attend all future general meetings and the Chair of the AC, RMC, NC and RC will provide meaningful response to questions addressed to them.

12.3 Shareholders who wish to attend AGM/general meetings are given at least twenty-eight (28) days, to ensure that shareholders are able to make the necessary arrangements to attend general meetings, review agenda items, and formulate questions, if any. Where they are not able to attend, they may appoint proxies to attend on their behalf to vote and represent them.

In view of the COVID-19 pandemic, the Company took the necessary precautions and preventive measures in complying with the directives issued by the Malaysian Ministry of Health. These include the option of remote shareholders' participation at the AGM.

At its fully virtual Postponed Fifteenth AGM held on 18 June 2020, the Company had leveraged on technology to facilitate remote shareholders' participation and electronic voting for the conduct of poll on the resolution for the first time.

The entire AGM proceedings were held through Securities Services e-Portal. The Administrative Details of the AGM as well as the Securities Services e-Portal user guide with detailed registration and voting procedures were shared with the shareholders and the same were also published on the Company website.

The Corporate Governance Overview Statement and the Corporate Governance Report are made in accordance with a resolution of the Board of Directors passed on 25 January 2021.

Statement of Directors' Responsibilities

Cypark Resources Berhad is required under Paragraph 15.26(a) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad to ensure that its Board of Directors make a statement explaining the Board of Directors' responsibility for preparing the annual audited financial statements.

The Group's consolidated annual audited financial statements for the financial year ended 31 October 2020 are drawn up in accordance with the applicable approved accounting standards in Malaysia and the Companies Act 2016 ("CA 2016") to give a true and fair view of the affairs of the Company and its Group. The Statement by the Directors pursuant to Section 251(2) of the CA 2016 is set out in the section headed "Statement by Directors" of the Directors' Report enclosed with the Group's consolidated annual audited financial statements for the financial year ended 31 October 2020.

In order to ensure that the financial statements are properly drawn up, the Board has taken the following measures:

i. ensure the adoption of appropriate, adequate and applicable accounting standards and policies and applied them consistently;

ii. ensured that applicable approved accounting standards have been followed;

iii. where applicable, judgments and estimates are made on a reasonable and prudent basis; and

iv. upon due inquiry into the state of affairs of the Company, there are no material matters that may affect the ability of the Company to continue in business on a going concern basis.

The Board has ensured that the quarterly reports and annual audited financial statements of the Group are released to Bursa Malaysia Securities Berhad in a timely manner in order to keep our investing public informed of the Group's latest performance and developments.

The Board has also ensured that the Company maintains accounting records that disclose with reasonable accuracy the financial position of the Company, and which enable the Board to ensure the financial statements comply with the CA 2016.

The Board has taken the necessary steps that are reasonably available to the Board to safeguard the assets of the Company, and to prevent and detect fraud and other irregularities.

The Audit Committee Report

The Audit Committee was established by the Board of Directors with the primary objective to assist the Board of Directors in fulfilling its fiduciary responsibilities relating to corporate governance, system of internal controls, risk management processes and management and financial reporting practices of the Group.

Composition of the Audit Committee

1.	Dato' Dr. Freezailah bin Che Yeom	Chairman, Independent Non-Executive Director
2.	Encik Headir bin Mahfidz	Member, Independent Non-Executive Director
3.	Encik Megat Abdul Munir bin Megat Abdullah Rafaie	Member, Independent Non-Executive Director

Number of Audit Committee Meetings and Details of Attendance

Audit Committee Members	No. of Meetings Attended
Dato' Dr. Freezailah bin Che Yeom	6 out of 6
Encik Headir bin Mahfidz	6 out of 6
Encik Megat Abdul Munir bin Megat Abdullah Rafaie	6 out of 6

During the financial year ended 31 October 2020, the Audit Committee held a total of six (6) meetings. The details of the attendance of each Audit Committee member are as follows:

Summary of Work of the Audit Committee

During the financial year ended 31 October 2020, the Audit Committee has carried out the following work in accordance with its terms of reference to meet its responsibilities:

a. reviewed the unaudited quarterly reports on the consolidated results of the Group for all the relevant financial quarters prior to recommending the same for the Board's approval;

b. received the relevant business, financial and tax-related updates from management, including enquiring on management's plans and strategies;

c. reviewed the recurrent related party transactions of a revenue or trading nature of the Group for all the relevant financial quarters;

d. reviewed the audited financial statements of the Group for the financial year ended 31 October 2019 prior to recommending the same for the Board's approval, taking into consideration also:

   i. changes in or implementation of any major accounting policies and practices;

   ii. significant matters highlighted including financial reporting issues, significant judgements made by management, significant and unusual events or transactions, and how these matters are addressed;

   iii. compliance with accounting standards, and regulatory, governance and other legal requirements; and

   iv. major issues the external auditors raised, the going concern assumptions, issues, problems and reservations arising from the interim and final external audits;

The Audit Committee Report

e. reviewed and discussed with the external auditors, the applicability and the impact of the new accounting standards and new financial reporting regime issued by the Malaysian Accounting Standards Board;

f. reviewed the external audit reports and assessed the auditor's findings and management's responses thereto in respect of the audit for the financial year ended 31 October 2019;

g. met twice with the external auditors without the presence of the executive directors and management during Audit Committee meetings to enquire on significant findings, fraud consideration, if any, and/or management cooperation level;

h. reviewed and discussed the scope of work and audit plan in respect of the audit for the financial year ended 31 October 2020, including significant events during the year, significant risks, potential key audit matters and key audit areas;

i. reviewed the internal audit reports presented on the state of internal control of the Group and steps taken by management in response to the audit findings;

j. reviewed and approved the internal audit plan for the financial year ended 31 October 2020;

k. reviewed and evaluated with the external and internal auditors, the adequacy of the internal control and risk management systems of the Group;

l. reviewed the suitability, objectivity and independence of the external auditors in order to recommend their re-appointment to the Board for recommendation to the shareholders for approval during the Postponed Fifteenth Annual General Meeting of the Company;

m. reviewed the audit fees prior to recommending the same for the Board's approval;

n. assessed the adequacy of the scope, functions, competency and resources of the outsourced internal auditors and that they have the necessary authority to carry out their work;

o. assessed the performance of the internal auditors;

p. reviewed the Audit Committee Report and Statement on Risk Management and Internal Control for inclusion in the Company's 2019 Annual Report;

q. reviewed the Circular to Shareholders in relation to the Proposed Renewal of Existing Shareholder Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature dated 28 February 2020;

r. reviewed and confirmed the minutes of the Audit Committee meetings;

s. reported to the Board on the proceedings of each Audit Committee meeting (through the Audit Committee Chairman); and

t. verified the allocation of employees' share option scheme ("ESOS") in compliance with the criteria as stipulated in the by-laws of ESOS of the Company.

The Audit Committee Report

Summary of Work of the Internal Audit Function

The Audit Committee had put emphasis on the importance of having an internal audit function within the Group and had outsourced its internal audit function to a professional service firm to assist the Board and the Audit Committee in providing independent assessment of the adequacy, efficiency and effectiveness of the Group's internal control systems. The costs incurred for maintaining the outsourced internal audit function for the financial year ended 31 October 2020 amounted to RM13,200.00.

A summary of the work of the internal audit function for the financial year ended 31 October 2020 is as follows:

a. conducted an internal control review on the Management of Solar Energy Operations for the solar plant located at Pajam, Negeri Sembilan specifically in the following areas, focusing on:
   - Operation & Maintenance
   - Health, Safety & Environment

b. presented the internal audit findings and action plans to be taken by management to the Audit Committee; and

c. conducted follow-ups on previous audits to ensure corrective actions had been taken and updating the Audit Committee on the same.

Statement on Risk Management and Internal Control

Introduction

The Board of Directors (the "Board") of Cypark Resources Berhad (the "Company" or "CRB") is pleased to present its Statement on Risk Management and Internal Control which has been prepared pursuant to Paragraph 15.26(b) of Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers (the "Guidelines").

Board Responsibility

The Board recognises the importance of sound risk management practices and internal controls to protect and enhance shareholders' value and the asset of the Company and its subsidiaries (the "Group"). The Board acknowledges its responsibility and is committed in maintaining the Company's risk management and system of internal control as well as reviewing its adequacy, integrity and effectiveness.

There are inherent limitations in any system of internal control and the system is designed to manage and mitigate the impact even though it may not be practicable to eliminate the risks that may impact the achievement of the Company's business objectives. Therefore, the system of internal control can only provide reasonable but no absolute assurance against material misstatement or loss.

Risk Management Framework and Key Features of Internal Control System

Risk management is firmly embedded in the Company's management system as the Board firmly believes that risk management is critical for the Company's sustainability and the enhancement of shareholder value. The Corporate Risk Register developed is continuously updated by key management and heads of department to manage identified risks within defined parameters and standards.

Apart from periodic management meetings, the Risk Management Committee had held four (4) meetings in the financial year ended 31 October 2020 to discuss key risks and the relevant mitigating controls on a quarterly basis. Risks are prioritised in terms of likelihood and impact on the achievement of the Company's business objectives.

The risk management framework mentioned above serves as an on-going process to identify, evaluate and manage potential significant risks faced by the Company.

The key elements of the Group's internal control system include:

a. A clear and well-defined organisational structure taking into account the business and operational requirements of the core businesses of the Group which limits the respective levels of authority, accountability and responsibility of job functions and specifications;

b. Documentation of standard operating procedures and ensuring that internal policies, processes and procedures are drawn-up, reviewed and revised as and when required and necessary;

c. Regular operational and financial reporting to the Senior Management and/or the Board, highlighting their progress and variances from budgets. The Audit Committee and the Board review quarterly operational as well as financial results and reports;

d. Group Management meetings are held regularly when necessary to raise issues, discuss, review and monitor the business development and resolve operational and management issues and review financial performances against the business plans, the targets and the budgets, if any, for each operating unit and regular visits by the Senior Personnel or Management team to each operating unit as and when necessary;

Statement on Risk Management and Internal Control

e. Board and Audit Committee Meetings are scheduled regularly, that is at least four (4) times in a year and the respective meeting papers are distributed on a timely basis to enable members to have access to all relevant information for reviews and queries to be raised;

f. Audit Committee reviews the quarterly financial results and yearly Audited Financial Statements prior to the approval of the Board;

g. Management ensures that safety regulations within the Group are being considered, implemented and adhered to accordingly;

h. Employee training and development programmes are regularly provided to equip our employees with the appropriate knowledge and skills to carry out their job functions productively and effectively;

i. Major assets are insured to ensure that assets of the Group are sufficiently covered against mishap that may result in material losses to the Group;

j. Regular visits to the project sites by the Senior Management;

k. Close involvement of the Executive Directors of the Group in its daily operations;

l. Established procedures for strategic planning and operations;

m. Periodic audits by external parties to ensure compliance with the terms and conditions of the ISO 9001: 2015 certification; and

n. Related party transactions are disclosed, reviewed and monitored by the Board on a periodic basis.

Internal Audit Function

The Group's internal audit function is outsourced to external consultants to assist the Board and the Audit Committee in providing an independent assessment on the adequacy, efficiency and effectiveness of the Group's internal control system. The internal audit function reports independently to the Audit Committee to preserve its objectivity.

During the financial year ended 31 October 2020, the internal audit function has conducted one (1) review on the business processes in accordance with the risk-based internal audit plan approved by the Audit Committee. The results of the internal audit review and where applicable, recommendations for improvement were presented at the scheduled Audit Committee meetings. The internal audit function has also performed follow-up audits to ensure that the appropriate corrective actions have been undertaken to address the control gaps highlighted. Based on the internal audit reviews conducted, none of the gaps noted have, in all material aspect, raises any material losses, contingencies or uncertainties that would require separate disclosure in this Annual Report.

Review of the Statement by External Auditors

As required by Paragraph 15.23 of MMLR of Bursa Securities, the external auditors have reviewed this statement for inclusion in the Annual Report of the Company for the financial year ended 31 October 2020 and have reported to the Board that nothing has come to their attention that cause them to believe that this Statement is inconsistent with their understanding of the process that the Board has adopted in the review of the adequacy and integrity of the systems of internal control of the Group.

Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagement to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants does not require the external auditors to consider whether this Statement covers all risks and controls, or to form an opinion on the effectiveness of the Group's risk and control procedures.

Statement on Risk Management and Internal Control

Board Assessment

The Board is of the view that the Company's overall risk management and internal control system is operating adequately and effectively, in all material aspects, and has received the same assurance from both the Group Chief Executive Officer and Group Chief Financial Officer of the Company.

The Board confirms that the risk management process in identifying, evaluating and managing significant risks faced by the Company has been in place throughout the financial year ended 31 October 2020 up to the date of approval of this statement.

This statement is made in accordance with a resolution of the Board of Directors passed on 25 January 2021.

Additional Compliance Information

Audit and Non-Audit Fees

For the financial year ended 31 October 2020, the amount of audit fees paid or payable by the Company and the Group to the external auditors are as follows:

	Company (RM)	Group (RM)
Audit fees	73,000	274,000
Non-audit fees	5,000	60,000

Material Contracts Involving Directors' and Major Shareholders' Interests

There were no existing material contracts of the Company and its subsidiaries involving the interests of the directors (Group Chief Executive Officer is also a Director) or major shareholders, either still subsisting at the end of the financial year ended 31 October 2020 or entered into since the end of the previous financial year ended 31 October 2019.

Material Properties

The Company and its subsidiaries presently do not own any properties.

Recurrent Related Party Transactions ("RRPTs")

The aggregate value of the RRPTs conducted pursuant to the shareholder mandate during the financial year ended 31 October 2020 are set out below:

Type of RRPT	Name of Related party	Relationship with Related Party	Aggregate value of the RRPT during the financial year ended 31 October 2020 (RM)
Sub-contractor charges paid for environmental/ landscape works	CyEn Resources Sdn. Bhd.	Tan Sri Razali Bin Ismail, being the Director of the Company, and Dato' Daud Bin Ahmad, being the Director and Major Shareholder of the Company, are Directors and Substantial Shareholders of CyEn Resources Sdn. Bhd.	12,826,332

Additional Compliance Information

Employees' Share Option Scheme ("ESOS")

The Group has one (1) ESOS in existence during the year ended 31 October 2020 and the said ESOS is governed by the By-Laws approved by the shareholders during the Tenth (10th) Annual General Meeting held on 21 April 2015. The said ESOS was extended for a further period of 1 year from 19 October 2020 to 18 October 2021. The information in relation to the ESOS as at 31 October 2020, is as follows:

	Total Number	Aggregate for Directors*
Granted	109,982,500	61,600,000
Cancelled	(46,973,000)	(27,400,000)
Exercised	(27,225,100)	(5,800,000)
Total options or shares outstanding as at 31 October 2020	**35,784,400**	**28,400,000**

* *Includes the Group Chief Executive Officer, who is also a Director of the Company.*

Granted to Directors and Senior Management	During the financial year	Since commencement up to 31 October 2020
Aggregate maximum allocation in percentage	N/A	N/A
Actual percentage granted	88.2%	87.3%

There were new options granted pursuant to ESOS during the financial year ended 31 October 2020. The breakdown of the options vested in Non-Executive Directors during the financial year under review was as follows:

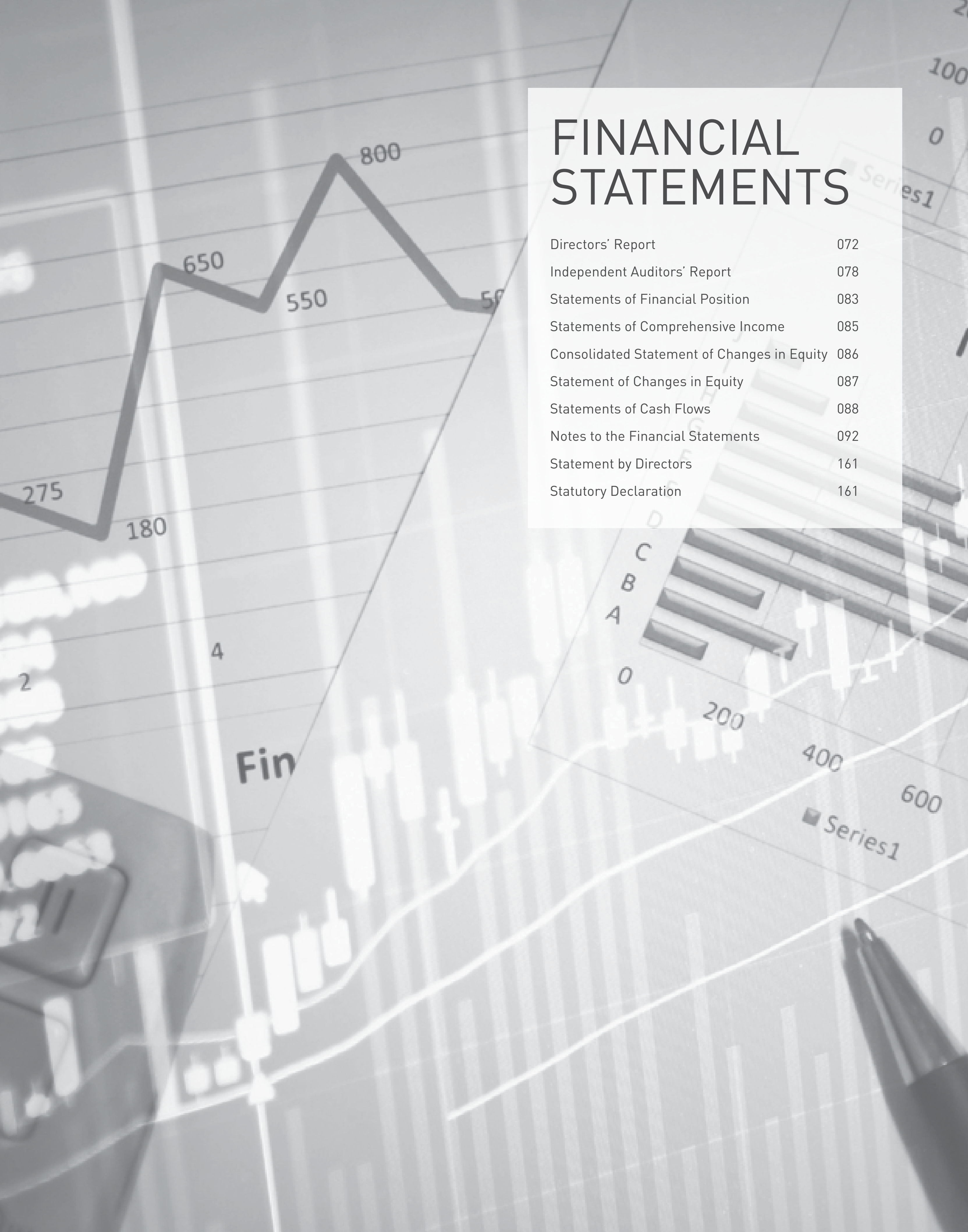
Name of Directors	Amount of options granted	Amount of options exercised
1. Dato' Dr. Freezailah Bin Che Yeom	825,000	(525,000)
2. Datuk Abdul Malek Bin Abdul Aziz	600,000	(300,000)
3. Headir Bin Mahfidz	825,000	(525,000)
4. Megat Abdul Munir Bin Megat Abdullah Rafaie	825,000	(525,000)

Additional Compliance Information

Utilisation of Proceeds

During the financial year ended 31 October 2020, Cypark Renewable Energy Sdn. Bhd. ("CRE"), a wholly-owned subsidiary of the Company had on 4 September 2020 and 7 October 2020 issued the Tranche 1 – Series 1 and Tranche 1 – Series 2 of unrated Perpetual Islamic Notes amounting to RM97.25 million and RM22.10 million under the Perpetual Islamic Notes Programme of up to RM500.0 Million in nominal value based on the Shariah Principle of Musharakah **("Perpetual Sukuk Musharakah")**. Subsequent to the Statement of Financial Position date, CRE issued RM30.25 million (Tranche 1 – Series 3) and RM15.40 million (Tranche 1 – Series 4) on 19 November 2020 and 30 December 2020, respectively.

The proceeds raised from the issuance of Perpetual Sukuk Mushrakah are being utilised to refinance the existing financing/borrowings and to defray fees, cost and expenses in relation to the issuance of Perpetual Sukuk Musharakah and the establishment of Perpetual Sukuk Musharakah Programme. The balance of the proceed of the issuance of Perpetual Sukuk Musharakah will be utilised for the capital expenditure and the working capital on the on-going EPCC contracts for the solar projects.



FINANCIAL STATEMENTS

Directors' Report
for the year ended 31 October 2020

DIRECTORS' REPORT

The directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 October 2020.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The Company and its subsidiaries are principally engaged in the business of environmental engineering, landscaping and infrastructure, maintenance, renewable energy, investment holding and the provision of management services.

The details of the principal activities of the subsidiaries are as disclosed in Note 7 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit for the year attributable to:		
Owners of the Company	70,691	44,006
Non-controlling interests	(40)	-
Profit for the year	70,651	44,006

DIVIDENDS

Further to the approval of Dividend Reinvestment Scheme ("DRS") at the Tenth Annual General Meeting of the Company held on 21 April 2015, the shareholders had approved the renewal of authority for the issuance and allotment of new ordinary shares in the Company ("CRB Shares") for the purpose of DRS at the Annual General Meeting of the Company held on 18 June 2020.

The DRS provides an option to the shareholders to reinvest either all or a portion of the declared dividends in new shares in lieu of receiving cash. Shareholders who elect not to participate in the option to reinvest will receive the entire dividend in cash.

No dividend has been paid, proposed or declared by the Company since the end of the previous financial year.

As at the date of this report, the directors have not proposed the payment of any dividend in respect of the current financial year.

Directors' Report
for the year ended 31 October 2020

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company had increased its total number of issued and paid-up share capital from 467,441,453 ordinary shares to 480,257,053 ordinary shares by way of issuance of 12,815,600 CRB Shares at an exercise price of RM0.595 per share pursuant to the exercise of options under the Employees' Share Option Scheme ("ESOS").

The new CRB Shares issued rank pari passu in all respect with the then existing ordinary shares of the Company.

The Company did not issue any debentures during the financial year.

EMPLOYEES' SHARE OPTION SCHEME

No options were granted to any person to take up the unissued shares of the Company during the financial year other than issue of options pursuant to ESOS of the Company.

The Company's ESOS is governed by the By-Laws which was approved by the shareholders at the Tenth Annual General Meeting held on 21 April 2015. The ESOS was implemented on 19 October 2015 and is in force for a period of 5 years from the date of implementation, and may be further extended for a maximum period of 5 years at the absolute discretion of the board of directors.

Movements of the Company's ESOS during the financial year are as follows:

	Number of option					
	At 1.11.2019	Granted	Cancelled	Exercised	At 31.10.2020	Expiry date
ESOS	13,173,000	82,400,000	(46,973,000)	(12,815,600)	35,784,400	18 October 2021

Details on the exercise price, exercise period, basis upon which the share options may be exercised and other information about the ESOS of the Company are set out in Note 16 to the financial statements.

TREASURY SHARES

The shareholders of the Company by an ordinary resolution passed on 10 March 2020, approved the mandate for the Company's plans to repurchase its own ordinary shares.

During the financial year, the Company has purchased a total of 7,630,100 ordinary shares of its issued shares capital from the open market at an average price of RM0.76 per share. The total consideration paid for the purchase, including transaction costs, was RM5,790,060 and was financed by internally generated funds. The purchased shares are held as treasury shares in accordance with the provisions of Section 127(4) of the Companies Act 2016. There was no cancellation, resale or reissuance of treasury shares during the financial year.

As at 31 October 2020, of the total 480,257,053 issued and fully paid ordinary shares, 7,630,100 are held as treasury shares by the Company.

Directors' Report
for the year ended 31 October 2020

RESERVES AND PROVISIONS

All material transfers, if any, to or from reserves and provisions during the financial year are disclosed in the financial statements.

SUBSIDIARIES

Details of the subsidiaries are set out in Note 7 to the financial statements.

DIRECTORS

The directors in office during the period commencing from the beginning of the financial year to the date of this report are:
Tan Sri Razali bin Ismail *
Dato' Daud bin Ahmad *
Dato' Dr. Freezailah bin Che Yeom
Headir bin Mahfidz
Megat Abdul Munir bin Megat Abdullah Rafaie
Datuk Abdul Malek bin Abdul Aziz

* These directors are also directors of the Company's subsidiaries.

DIRECTORS OF SUBSIDIARIES

The name of directors of subsidiaries where the shares are held by the Company during the period commencing from the beginning of the financial year to the date of this report are listed below (excluding directors who are also directors of the Company):

Datuk Abdul Talib Md Zin
Mahadzir bin Hashim
Dato' Ahmad Pharmy bin Abd Rahman
Rahimi Bin Razali @ Ghazali
Haji Darus @ Idrus bin Omar
Abdul Khalil bin Wahab
Kyuji Takahashi
Setsuo Yamamoto
Hasnoel Bin Ramly
Khairil Effendi Bin Kassim
Mallek Rizal Bin Mohsin (appointed on 24 January 2020)

No directors' remuneration was paid or payable by these subsidiaries during the financial year.

Directors' Report
for the year ended 31 October 2020

DIRECTORS' INTERESTS IN SHARES AND ESOS

The following directors, who held office at the end of the financial year, had interests in shares as follows:

	------------------ Number of ordinary shares ------------------			
	At			At
The Company	**1.11.2019**	**Bought**	**Sold**	**31.10.2020**
<u>Direct interest</u>				
Tan Sri Razali bin Ismail	53,942,170	-	(18,100,350)	35,841,820
Dato' Daud bin Ahmad	71,801,984	-	(7,803,500)	63,998,484
Dato' Dr. Freezailah bin Che Yeom	290,900	-	-	290,900
Headir bin Mahfidz	161,650	-	-	161,650
Megat Abdul Munir bin Megat Abdullah Rafaie	30,800	-	-	30,800
Datuk Abdul Malek bin Abdul Aziz	142,400	-	(90,000)	52,400

By virtue of Tan Sri Razali bin Ismail and Dato' Daud bin Ahmad's interests in the shareholdings of the Company, they are deemed to be interested in shares in all the subsidiaries of the Company to the extent that the Company has an interest.

Other than as disclosed above, none of the directors in office at the end of the financial year held any interest in the shares or debenture's in the Company or its subsidiaries during the financial year.

The following directors had interests in ESOS during the financial year as follows:

	---------- Number of share options under the ESOS ----------			
	At			At
	1.11.2019	**Granted**	**Cancelled**	**31.10.2020**
Tan Sri Razali bin Ismail	3,000,000	11,000,000	(7,000,000)	7,000,000
Dato' Daud bin Ahmad	6,525,000	31,525,000	(18,525,000)	19,525,000
Dato' Dr. Freezailah bin Che Yeom	225,000	825,000	(525,000)	525,000
Headir bin Mahfidz	225,000	825,000	(525,000)	525,000
Megat Abdul Munir bin Megat Abdullah Rafaie	225,000	825,000	(525,000)	525,000
Datuk Abdul Malek bin Abdul Aziz	-	600,000	(300,000)	300,000

Directors' Report
for the year ended 31 October 2020

DIRECTORS' BENEFITS

Neither during nor at the end of the financial year was the Company a party to any arrangements whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by the directors as shown in the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with a director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

The benefits and remuneration of the directors are set out in Note 25 to the financial statements.

INDEMNITY AND INSURANCE COST

Indemnity given to directors of the Company amounting RM15,000,000. The directors of the Company are covered under Directors & Officers Liability Insurance, and the insurance premium paid for the current financial year is amounting to RM28,538.

OTHER INFORMATION

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps:

(i) to ascertain that appropriate action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and satisfied themselves that there were no known bad debts to be written off and allowance for doubtful debts was not required; and

(ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records have been written down to an amount which the current assets might be expected to realise.

At the date of this report, the directors are not aware of any circumstances:

(i) which would render it necessary to write off any bad debt or to make any allowance for doubtful debts in respect of the financial statements of the Group and of the Company; or

(ii) which would render the values attributed to the current assets in the financial statements misleading; or

(iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

At the date of this report, there does not exist:

(i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability which has arisen since the end of the financial year.

Directors' Report
for the year ended 31 October 2020

No contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

In the opinion of the directors:

(i) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

SIGNIFICANT EVENTS

Details of significant events during the reporting period are disclosed in Note 36 to the financial statements.

SUBSEQUENT EVENT

Details of subsequent events after the reporting period are disclosed in Note 37 to the financial statements.

AUDITORS

No indemnity was given to or insurance effected for auditors of the Company in the current financial year.

Auditors' remuneration is set out in Note 24 to the financial statements.

APPROVAL OF THE DIRECTORS' REPORT

This report is approved by the board of directors, and signed on behalf of the board of directors in accordance with a directors' resolution.

TAN SRI RAZALI BIN ISMAIL
Director

DATO' DAUD BIN AHMAD
Director

Kuala Lumpur
25 January 2021

Independent Auditors' Report

to the Members of Cypark Resources Berhad (Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Cypark Resources Berhad, which comprise the statements of financial position as at 31 October 2020 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 083 to 160.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 October 2020, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ("ISA"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws *(on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(a) Impairment assessment of intangible assets (concession asset)

Refer to *Significant Accounting Judgements and Estimates* in note 3 and *Intangible Assets* in note 6 to the financial statements.

The risk:

As at 31 October 2020, the Group has an intangible asset with carrying amount of RM871 million relating to a concession to undertake the design, construction, maintenance, operation and management of Solid Waste Modular Advanced Recovery and Treatment System. The intangible asset is recognised pursuant to IC Interpretation 12 Service Concession Arrangements.

Management tested for impairment of the intangible asset which was under construction as at 31 October 2020 in accordance with the Group's accounting policy. In assessing whether the intangible asset is impaired, management estimates the recoverable amount. Determination of the recoverable amount requires management to estimate the future cash flows to be generated; and to determine a suitable discount rate in order to calculate the present value of those cash flows. An impairment occurs when the carrying amount of the intangible asset exceeds its recoverable amount (i.e., discounted cash flows).

The bases and assumptions used in the calculation of recoverable amount involve a significant degree of management judgement. Due to the significance of the intangible asset; and the involvement of management judgement and estimation in the impairment testing, this is considered a key audit matter.

Independent Auditors' Report
to the Members of Cypark Resources Berhad (Incorporated in Malaysia)

Our response:

In addressing the risk, we performed, amongst others, the following procedures:

- Updated our understanding of the Group's process in testing indicator of impairment of the intangible asset.
- Challenged and tested the reasonableness of basis and key assumptions used by management in the preparation of the cash flow projections.
- Assessed the appropriateness of input data used in the computation of discount rate with the support from our internal specialist.
- Performed sensitivity analysis to test the reasonable possible changes to the key assumptions in the cash flow projections.

(b) Recoverability of contract assets and trade receivables

Refer to *Significant Accounting Judgements and Estimates* in note 3; and *Contract Assets and Trade and Other Receivables* in notes 11 and 10 respectively to the financial statements.

The risk:

As at 31 October 2020, the Group and the Company have contracts assets and trade receivables relating to contracts with customers, as follows:

- contract assets of RM702 million and RM79 million respectively; and
- trade receivables of RM66 million and RM13 million respectively.

Management assessed the expected credit loss ("ECL") of contract assets and trade receivables in accordance with the Group's accounting policy. The Group and the Company adopted *simplified* approach (i.e., lifetime expected credit loss) in measuring the loss allowance, if any, for contract assets and trade receivables. The ECL is estimated by reference to past default experience in respect of the customers, industry practice relating to the billing and collection of contract sums, and an analysis of the customers' current financial position adjusted for factors that are specific to the customers; and an assessment of both current conditions as at the reporting date as well as future conditions (including general economic conditions of the industry). Management's assessment of ECL is a significant estimation as it involves collective assessment on past, present and future conditions of the customers.

Due to the significance of the contract assets and trade receivables of the Group and of the Company at the reporting date; and the significant use of management assumption and estimation in assessing the expected credit loss, these are considered key audit matters.

Our response:

In addressing the risk, we performed, amongst others, the following procedures:

- Updated our understanding of the Group's process in assessing the recoverability of contract assets and trade receivables.
- Challenged and assessed the key bases and assumptions used by management in the estimation of ECL.
- Tested the accuracy of trade receivables aging at year end on sampling basis.
- Reviewed the billing of contract assets as well as collection of trade receivables received subsequent to financial year.
- Reviewed disclosure of credit risk in the financial statements.

Independent Auditors' Report

To the Members of Cypark Resources Berhad (Incorporated in Malaysia)

(c) Revenue recognition – construction and engineering contracts

Refer to *Significant Accounting Judgements and Estimates* in note 3; and *Revenue* in note 21 to the financial statements.

The risk:

For the financial year ended 31 October 2020, the Group and the Company recognised revenue from contracts with customers amounted to RM273 million and RM46 million respectively.

The Group and the Company recognise revenue from construction and engineering contracts with customers over time in accordance with the Group's accounting policy. Progress towards complete satisfaction of performance obligations of the contracts is measured using input method, which is based on the contract costs incurred up to the end of the reporting period relative to the total estimated costs of the contracts. Revenue recognition of construction and engineering contracts is inherently judgemental due to the involvement of management estimation in measuring the progress of completion at the end of reporting period.

Due to nature and timing of revenue from construction and engineering contracts with customers of the Group and of the Company; and the related management's judgement and estimation involved in measuring the progress of completion of each project, these are considered key audit matters.

Our response:

In addressing the risk, we performed, amongst others, the following procedures:

- Updated our understanding of the Group's process in measuring revenue from contracts with customers.
- Read relevant contractual terms and held discussion with management to obtain the understanding of performance and status of material contracts with customers.
- Assessed the reasonableness of budgeted costs in respect of those material contracts with customers.
- Tested on sampling basis, the occurrence of costs incurred during the financial year for those material contracts with customers.
- Tested the reasonableness of management's estimation on the progress towards completion of performance obligations based on the input method for those material contracts with customers.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditors' Report

To the Members of Cypark Resources Berhad (Incorporated in Malaysia)

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRS, IFRS and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and ISA, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Independent Auditors' Report
to the Members of Cypark Resources Berhad (Incorporated in Malaysia)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in note 7 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

MAZARS PLT
LLP0010622-LCA
AF 001954
Chartered Accountants

RAJVINDERJIT SINGH A/L SAVINDER SINGH
03400/11/2022 J
Chartered Accountant

Kuala Lumpur
25 January 2021

Statements of Financial Position

for the year ended 31 October 2020

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
ASSETS					
NON-CURRENT ASSETS					
Plant and equipment	4	288,572	203,965	354	128
Right-of-use assets	5	6,771	-	-	-
Intangible assets	6	890,859	864,663	19,349	21,516
Investments in subsidiaries	7	-	-	46,151	46,151
Investment in an associate	8	3,432	3,111	-	-
Deferred tax assets	9	3,694	502	47	34
Trade receivables	10	2,948	3,175	-	206
		1,196,276	1,075,416	65,901	68,035
CURRENT ASSETS					
Trade and other receivables	10	115,453	35,141	468,001	432,083
Contract assets	11	702,103	539,164	79,378	79,630
Other current assets	12	1,283	1,963	326	1,433
Tax recoverable		7	101	-	100
Cash and bank balances	13	359,380	523,649	74,130	98,779
		1,178,226	1,100,018	621,835	612,025
TOTAL ASSETS		2,374,502	2,175,434	687,736	680,060
EQUITY AND LIABILITIES					
EQUITY					
Share capital	14	409,543	400,839	409,543	400,839
Reverse acquisition reserve	15	(36,700)	(36,700)	-	-
Employee share option reserve	16	3,011	1,981	3,011	1,981
Treasury shares	17	(5,790)	-	(5,790)	-
Retained earnings		460,611	391,063	65,436	21,430
Equity attributable to owners of the Company		830,675	757,183	472,200	424,250
Perpetual sukuk	18	118,470	-	-	-
Non-controlling interests		1,392	(4)	-	-
TOTAL EQUITY		950,537	757,179	472,200	424,250

Statements of Financial Position
for the year ended 31 October 2020

		Group		Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
NON-CURRENT LIABILITIES					
Loans and borrowings	19	986,068	988,541	-	-
Trade payables	20	31,983	28,183	-	-
Lease liabilities	5	6,625	-	-	-
Deferred tax liabilities	9	16,866	11,455	-	-
		1,041,542	1,028,179	-	-
CURRENT LIABILITIES					
Loans and borrowings	19	233,006	184,871	25,704	20,089
Trade and other payables	20	133,192	196,883	184,832	235,721
Lease liabilities	5	697	-	-	-
Tax payables		15,528	8,322	5,000	-
		382,423	390,076	215,536	255,810
TOTAL LIABILITIES		1,423,965	1,418,255	215,536	255,810
TOTAL EQUITY AND LIABILITIES		2,374,502	2,175,434	687,736	680,060

The accompanying notes form an integral part of the financial statements

Statements of Comprehensive Income

for the year ended 31 October 2020

		Group		Company	
		2020	2019	2020	2019
	Note	RM'000	RM'000	RM'000	RM'000
Revenue	21	304,000	376,739	71,110	42,837
Cost of operations	22	(192,027)	(241,045)	(15,139)	(18,974)
Gross profit		111,973	135,694	55,971	23,863
Other income		5,326	4,534	1,090	9,366
Administrative and general expenses		(8,335)	(9,612)	(6,405)	(14,279)
Operating profit		108,964	130,616	50,656	18,950
Finance costs	23	(12,300)	(12,046)	(44)	(30)
Share of results of an associate		(43)	13	-	-
Profit before tax	24	96,621	118,583	50,612	18,920
Tax expense	26	(25,970)	(27,301)	(6,606)	(2,633)
Profit for the year		70,651	91,282	44,006	16,287
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the year		70,651	91,282	44,006	16,287
Profit for the year attributable to:					
Owners of the Company		70,691	91,283	44,006	16,287
Non-controlling interests		(40)	(1)	-	-
		70,651	91,282	44,006	16,287
Total comprehensive income for the year attributable to:					
Owners of the Company		70,691	91,283	44,006	16,287
Non-controlling interests		(40)	(1)	-	-
		70,651	91,282	44,006	16,287
Earnings per share					
- Basic (sen)	27	14.94	19.82		
- Diluted (sen)	27	14.57	19.75		

The accompanying notes form an integral part of the financial statements

Consolidated Statement of Changes in Equity

for the year ended 31 October 2020

	Note	<------ Transactions with owners of the Company ------> <------ Non-distributable ------> Share capital RM'000	Reverse acquisition reserve RM'000	Employee share option reserve RM'000	Treasury shares RM'000	Distributable Retained earnings RM'000	Total RM'000	Perpetual Sukuk RM'000	Non-controlling interests RM'000	Total equity RM'000
2020										
At 1 November 2019		400,839	(36,700)	1,981	-	391,063	757,183	-	(4)	757,179
Total comprehensive income for the year		-	-	-	-	70,691	70,691	-	(40)	70,651
Issuance of ordinary shares pursuant to exercise of Employees' Share Option Scheme ("ESOS")	14	8,704	-	(1,078)	-	-	7,626	-	-	7,626
ESOS granted	16	-	-	2,108	-	-	2,108	-	-	2,108
Purchase of treasury shares	17	-	-	-	(5,790)	-	(5,790)	-	-	(5,790)
Acquistion of a subsidiary	33	-	-	-	-	-	-	-	1,436	1,436
Issuance of Perpetual Sukuk	18	-	-	-	-	-	-	117,327	-	117,327
Distribution to Perpetual Sukuk holders	18	-	-	-	-	(1,143)	(1,143)	1,143	-	-
At 31 October 2020		409,543	(36,700)	3,011	(5,790)	460,611	830,675	118,470	1,392	950,537

	Note	<------ Transactions with owners of the Company ------> <------ Non-distributable ------> Share capital RM'000	Reverse acquisition reserve RM'000	Employee share option reserve RM'000	Distributable Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
2019								
At 1 November 2018		374,588	(36,700)	3,269	317,653	658,810	(3)	658,807
Total comprehensive income for the year		-	-	-	91,283	91,283	(1)	91,282
Issuance of ordinary shares:								
- Dividend Reinvestment Scheme ("DRS")	14	13,006	-	-	-	13,006	-	13,006
- Exercise of ESOS	14	13,387	-	(1,288)	-	12,099	-	12,099
Share issuance expenses	14	(142)	-	-	-	(142)	-	(142)
Dividend paid	35	-	-	-	(17,873)	(17,873)	-	(17,873)
At 31 October 2019		400,839	(36,700)	1,981	391,063	757,183	(4)	757,179

The accompanying notes form an integral part of the financial statements

Statement of Changes in Equity

for the year ended 31 October 2020

		←---------- Non-distributable ----------→			Distributable	
	Note	Share capital RM'000	Employee share option reserve RM'000	Treasury shares RM'000	Retained earnings RM'000	Total equity RM'000
At 1 November 2018		374,588	3,269	-	23,016	400,873
Total comprehensive income for the year		-	-	-	16,287	16,287
Issuance of ordinary shares:						
- DRS	14	13,006	-	-	-	13,006
- Exercise of ESOS	14	13,387	(1,288)	-	-	12,099
Share issuance expenses	14	(142)	-	-	-	(142)
Dividend paid	35	-	-	-	(17,873)	(17,873)
At 31 October 2019		400,839	1,981	-	21,430	424,250
Total comprehensive income for the year		-	-	-	44,006	44,006
Issuance of ordinary shares pursuant to exercise of ESOS	14	8,704	(1,078)	-	-	7,626
ESOS granted	16	-	2,108	-	-	2,108
Purchase of treasury shares	17	-	-	(5,790)	-	(5,790)
At 31 October 2020		409,543	3,011	(5,790)	65,436	472,200

The accompanying notes form an integral part of the financial statements

Statements of Cash Flows

for the year ended 31 October 2020

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	96,621	118,583	50,612	18,920
Adjustments for:				
Depreciation of:				
- plant and equipment	8,073	13,593	102	73
- right-of-use assets	963	-	-	-
Gain on disposal of plant and equipment	-	(117)	-	-
Amortisation of intangible assets	5,467	3,648	7,182	4,793
Share of results of an associate	43	(13)	-	-
Profit from construction services contract	-	(2,457)	-	-
Unrealised gain on foreign exchange	(1)	(6)	-	-
ESOS expenses	2,108	-	2,108	-
Finance income - unwinding of discount	(1,241)	(1,176)	(30)	-
Interest expenses	43,145	16,389	44	30
Interest income	(3,739)	(3,117)	(972)	(1,344)
Operating cash flows before changes in working capital	151,439	145,327	59,046	22,472
Changes in contract assets	(162,939)	(244,290)	252	18,461
Changes in receivables	(79,800)	67,261	(3,603)	16,399
Changes in other current assets	680	1,225	1,107	1,277
Changes in payables	(72,275)	(24,072)	(8,568)	(3,951)
Cash (used in)/generated from operating activities	(162,895)	(54,549)	48,234	54,658
Interest paid	(33,355)	(16,077)	(44)	-
Tax paid	(16,451)	(18,304)	(1,519)	(3,800)
Net cash (used in)/generated from operating activities	(212,701)	(88,930)	46,671	50,858
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to intangible assets	(27,158)	(52,533)	(5,015)	(5,440)
Purchase of plant and equipment (Note 4)	(89,375)	(573)	(328)	(85)
Proceeds from disposal of plant and equipment	-	117	-	-
Net outflow from acquisition of a subsidiary	(2,973)	-	-	-
Additional investment in associate	(364)	-	-	-
Advances to subsidiaries	-	-	(32,079)	(155,991)
Repayment from subsidiaries	-	-	-	59,489
Placement of short term deposits with licensed banks	(119)	(182)	-	-
Interests received	3,739	3,117	972	1,344
Net cash used in investing activities	(116,250)	(50,054)	(36,450)	(100,683)

Statements of Cash Flows

for the year ended 31 October 2020

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES				
Drawdown of loans, net of costs	73,398	553,563	-	-
Repayment of loans	(116,619)	(35,778)	-	-
Net drawdown/(repayment) of borrowings	85,040	49,254	5,615	(3,484)
Proceeds from exercise of ESOS	7,626	12,099	7,626	12,099
Proceeds from private placements	-	-	-	-
Share issuance expenses	-	(142)	-	(142)
Repayment of lease liabilities	(1,067)	(641)	-	-
(Repayments to)/Advances from subsidiaries	-	-	(42,321)	115,625
Purchase of treasury shares	(5,790)	-	(5,790)	
Proceeds from issuance of Perpetual Sukuk	117,327	-	-	-
Dividend paid	-	(4,867)	-	(4,867)
Net cash generated from/(used in) financing activities	159,915	573,488	(34,870)	119,231
NET CHANGES IN CASH AND CASH EQUIVALENTS	(169,036)	434,504	(24,649)	69,406
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	519,836	85,332	98,779	29,373
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (NOTE 13)	350,800	519,836	74,130	98,779

The accompanying notes form an integral part of the financial statements

Statements of Cash Flows
for the year ended 31 October 2020

Note (a):
Reconciliation of liabilities arising from financing activities

Group	Loans and IMTNs RM'000	Short term borrowings (excluding bank overdrafts) RM'000	Finance leases RM'000	Lease Liabilities RM'000	Total RM'000
At 1 November 2018	513,430	90,773	1,827	-	606,030
Cash flows:					
Drawdown of loans	565,765	-	-	-	565,765
Repayment of loans	(35,778)	-	-	-	(35,778)
Transaction costs related to the issuance	(12,202)	-	-	-	(12,202)
Net drawdown of borrowings	-	49,254	-	-	49,254
Repayment of finance lease liabilities	-	-	(641)	-	(641)
Interests paid	(40,460)	(4,001)	(88)	-	(44,549)
	990,755	136,026	1,098	-	1,127,879
Non-cash changes:					
Drawdown of finance lease liabilities	-	-	543	-	543
Interest expenses	40,480	4,001	88	-	44,569
At 31 October 2019	1,031,235	140,027	1,729	-	1,172,991
Effect of adopting MFRS 16	-	-	(1,729)	8,003	6,274
Cash flows:					
Drawdown of loans	73,398	-	-	-	73,398
Repayment of loans	(116,619)	-	-	-	(116,619)
Net drawdown of borrowings	-	85,040	-	-	85,040
Repayment of lease liabilities	-	-	-	(1,067)	(1,067)
Interests paid	(60,244)	(5,281)	-	(76)	(65,601)
	927,770	219,786	-	6,860	1,154,416
Non-cash changes:					
Interest expenses	61,168	5,281	-	462	66,911
At 31 October 2020	988,938	225,067	-	7,322	1,221,327

Statements of Cash Flows
for the year ended 31 October 2020

Company	Borrowings RM'000	Amounts due to subsidiaries RM'000	Total RM'000
At 1 November 2018	23,573	105,791	129,364
Cash flows:			
Net repayment of borrowings	(3,484)	-	(3,484)
Advances from subsidiaries	-	115,625	115,625
At 31 October 2019	20,089	221,416	241,505
Cash flows:			
Net drawdown of borrowings	5,615	-	5,615
Repayment to subsidiaries	-	(42,321)	(42,321)
At 31 October 2020	25,704	179,095	204,799

Notes to the Financial Statements
for the year ended 31 October 2020

1. CORPORATE INFORMATION

Cypark Resources Berhad (the "Company") is a public limited liability company incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of the principal place of business and registered office of the Company are disclosed in page 004.

The Company is an investment holding company. The Company and its subsidiaries are principally engaged in the business of environmental engineering, landscaping and infrastructure, maintenance, renewable energy, investment holding and the provision of management services.

The principal activities of the subsidiaries are disclosed in note 7 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") issued by the Malaysian Accounting Standards Board ("MASB"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements have been prepared on the historical cost basis, except for other measurement basis applied as stated in the significant accounting policies.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities, for which fair value is measured or disclosed, are categorised within the fair value hierarchy set out below based on the inputs that are significant to the fair value measurement. Fair value measurement is derived from:

Level 1: Unadjusted quoted prices in active markets (for identical assets or liabilities).

Level 2: Inputs (other than quoted prices included within Level 1) are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: Valuation techniques that include unobservable inputs (not based on observable market data).

The financial statements are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Company. All amounts in the financial statements are rounded to the nearest thousand, unless otherwise stated.

2.2 Application of new or amended standards

In the current year, the Group and the Company have applied a number of new standards, amendments and interpretations that become effective mandatorily for the financial periods beginning on or after 1 November 2019.

The adoption of the new standards, amendments and interpretations does not have significant impact on the financial statements of the Group and of the Company, except for the effects of adopting MFRS 16 *Leases* set out in the Note 38 to the financial statements.

Notes to the Financial Statements
for the year ended 31 October 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Standards issued but not yet effective

The Group and the Company have not applied the following standard and amendments that have been issued by the MASB but are not yet effective.

		Effective Date
Amendments to MFRSs	Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Amendments to MFRS 3	Definition of a Business	1 January 2020
Amendments to MFRS 101 and MFRS 108	Definition of Material	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7	Interest Rate Benchmark Reform	1 January 2020
Amendments to MFRS 16	Covid-19 – Related Rent Concessions	1 June 2020
Amendments to MFRS 4	Extension of the Temporary Exemption from Applying MFRS 9	17 August 2020
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to MFRS 1, MFRS 9, MFRS 16 and MFRS 141	Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022
Amendments to MFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137	Onerous Contracts-Cost of Fulfilling a Contract	1 January 2022
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced by the MASB

Except as otherwise indicated below, the adoption of the above standard and amendments are not expected to have significant impact on the financial statements of the Group and of the Company.

IFRIC Agenda Decision

In March 2019, the IFRS Interpretations Committee published an agenda decision on IAS 23 *Borrowing Costs* (MFRS 123 *Borrowings Costs*) relating to over time transfer of constructed good. It is concluded that receivables, contract assets and inventory (work-in-progress) for unsold units under construction for which revenue is recognised over time are not qualifying assets under IAS 23 (MFRS 123). The MASB has announced that an entity shall apply the change in accounting policy as a result of the agenda decision to financial statements of annual periods beginning on or after 1 July 2020. The Group and the Company are currently assessing the impact to its accounting policy pursuant to the agenda decision; and will change its accounting policy (where applicable) on or before the mandatory effective date.

Notes to the Financial Statements
for the year ended 31 October 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and of all its subsidiary company and entities controlled by the Company (including structured entities) made up to the end of the financial year.

The Company controls an investee if and only if the Company has all the following:

(i) power over the investee;

(ii) exposure, or rights, to variable returns from its involvement with the investee; and

(iii) the ability to use its power over the investee to affect the amount of the investor's returns.

Potential voting rights are considered when assessing control only if the rights are substantive.

The Company reassess whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of an investee shall begin from the date the Company obtains control of the investee and cease when the investor loses control of the investee.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

All intra-group balances, transactions, income and expenses are eliminated in full on consolidation and the consolidated financial statements reflect external transactions only.

The Company attributes the profit or loss and each component of other comprehensive income to the owners of the Company and to the non-controlling interests. The Company also attributes total comprehensive income to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Non-controlling interests are initially measured at fair value. Subsequently, non-controlling interests are the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

On 1 October 2006, the Company acquired Cypark Sdn. Bhd. (''CSB'') for a consideration satisfied by the issuance of 80,000,000 shares of RM0.50 each to the vendors. In accordance to MFRS 3: *Business Combinations*, this transaction meets the criteria of a Reverse Acquisition. The consolidated financial statements have therefore been prepared under the reverse acquisition accounting method as set out by the said Standard, with CSB being treated as the accounting acquirer of the Company.

In accordance with the principles of reverse acquisition, the consolidated financial statements have been prepared as if it had been in existence in its current group form since 1 November 2005. The consolidated financial statements represent therefore a continuation of CSB's financial statements.

Notes to the Financial Statements
for the year ended 31 October 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Basis of consolidation (cont'd)

The key features of the basis of consolidation under reverse acquisition are as follows:

- The cost of the business combination is deemed to have been incurred by CSB in the form of equity instruments issued to the owners of the Company. CSB's shares were not listed prior to the acquisition and consequently the cost of the business combination has been based on the fair value of the Company's shares in issue immediately before the reverse acquisition;

- The assets and liabilities of CSB are recognised and measured in the consolidated financial statements at their pre-combination carrying amounts. The retained earnings and other equity balances recognised in the consolidated financial statements are those of CSB immediately before the business combination;

- CSB has been consolidated from the date of the reverse acquisition using the fair value of the identifiable assets, liabilities and contingent liabilities at that date. The cost of business combination was RM2 and therefore, goodwill of RM127,316 arose from the reverse acquisition; and

- The amount recognised as issued instruments in the consolidated financial statements is determined by adding the cost of business combination to the issued equity of CSB immediately before the business combination. However, the equity structure appearing in the consolidated financial statements is of the Company. Therefore, a reverse acquisition reserve of RM36,700,000 has been created, being the difference between the required Group's equity structure and the reported equity of the Company.

Changes of Interests in Subsidiaries

The changes of interests in subsidiaries that do not result in a loss of control are treated as equity transactions between the Group and non-controlling interest holders. Any gain or loss arising from equity transactions is recognised directly in equity.

Loss of control

When the Company loses control of a subsidiary:

(i) It derecognises the assets and liabilities, non-controlling interests, and other amounts previously recognised in other comprehensive income relating to the former subsidiary.

(ii) It recognises any gain or loss in profit or loss attributable to the Group, which is calculated as the difference between (i) the aggregate of the fair value of the consideration received, if any, from the transaction, event or circumstances that resulted in the loss of control; plus any investment retained in the former subsidiary at its fair value at the date when control is lost; and (ii) the net carrying amount of assets, liabilities, goodwill and any non-controlling interests attributable to the former subsidiary at the date when control is lost.

(iii) It recognises any investment retained in the former subsidiary at its fair value when control is lost and subsequently accounts for it and for any amounts owed by or to the former subsidiary in accordance with relevant MFRSs. That fair value shall be regarded as the fair value on initial recognition of a financial asset in accordance with MFRS 9 or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture.

Notes to the Financial Statements
for the year ended 31 October 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Business combination

The Group accounts for each business combination by applying the acquisition method.

The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity interests issued by the acquirer.

The Group accounts for acquisition related costs as expenses in the periods in which the costs are incurred and the services are received.

For each business combination, the Group measures at the acquisition date, components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation at either: (i) fair value; or (ii) the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets.

On the date of acquisition, goodwill is measured as the excess of (a) over (b) below:

(a) The aggregate of: (i) the fair value of consideration transferred; (ii) the amount of any non-controlling interest in the acquiree; and (iii) in a business combination achieved in stages, the fair value of the Group's previously held equity interest in the investee.

(b) The net fair value of the identifiable assets acquired and the liabilities assumed.

A business combination in which the amount in (b) above exceeds the aggregate of the amounts in (a) above, the Group recognises the resulting gain in profit or loss on the acquisition date.

Measurement period adjustments are adjustments that arise from additional information obtained during 12 months from the acquisition date, about facts and circumstances that existed at the acquisition date. If the initial accounting for a business combination is incomplete by the reporting date in which the business combination occurs, the Group reports provisional amounts for the business combination. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of the acquisition date.

2.6 Investments in subsidiaries

In the Company's separate financial statements, investments in subsidiaries are measured at cost less impairment losses, if any. Impairment losses are recognised to profit or loss.

On disposal, the difference between the net disposal proceeds and the carrying amount of the investment disposed is recognised in profit or loss.

Notes to the Financial Statements
for the year ended 31 October 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Investment in an associate

An associate is an entity in which the Group has significant influence and that is neither a subsidiary nor an interest in a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has significant influence.

An investment in an associate is accounted for in the consolidated financial statements using the equity method of accounting from the date on which the Group obtains significant influence until the date the Group ceases to have a significant influence over the associate. Under the equity method, the investment in an associate is initially recognised at cost and adjusted thereafter for post-acquisition changes in the Group's share of net assets of the associate.

On acquisition of an investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment, and goodwill is not tested for impairment separately. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised in profit or loss.

At each reporting date, the Group determines whether there is any objective evidence that the investment in an associate is impaired. If there is such indication, management recognises impairment loss in profit or loss as the difference between the recoverable amount of the associate and its carrying value.

The Group's share of net profit or loss and changes recognised directly in the other comprehensive income of the associate is recognised in the consolidated statement of comprehensive income.

Premium relating to an associate is included in the carrying value of the investment and it is not tested for impairment separately. Instead, the entire carrying amount of the investment is tested for impairment.

Discount on acquisition is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss in the period in which the investment is acquired.

Unrealised gains or losses on transactions between the Group and its associate are eliminated to the extent of the Group's interest in the associate.

Equity accounting is discontinued when the carrying amount of the investment in an associate diminishes by virtue of losses to zero, unless the Group has legal or constructive obligations or made payments on behalf of the associate.

The results and reserves of an associate is accounted for in the consolidated financial statements based on financial statements made up to the end of the financial year and prepared using accounting policies that conform to those used by the Group for like transactions in similar circumstances.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate is recognised at fair value on the date when significant influence is lost. Any gain or loss arising from the loss of significant influence over an associate is recognised in profit or loss.

When changes in the Group's interest in an associate that do not result in a loss of significant influence, the retained interest in the associate is not remeasured. Any gain or loss arising from the changes in the Group's interest in the associate is recognised in profit or loss.

In the Company's separate financial statements, investment in an associate is measured at cost less impairment losses, if any. Impairment loss is recognised in profit or loss.

On disposal, the difference between the net disposal proceeds and the carrying amount of the associate disposed of is recognised in profit or loss.

Notes to the Financial Statements
for the year ended 31 October 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Plant and equipment

(a) Measurement basis

Plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

The cost of plant and equipment includes expenditure that is directly attributable to the acquisition of the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Company and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised in profit or loss when incurred.

Plant and equipment are derecognised upon disposal or when no future economic benefits are expected from their use or disposal. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

(b) Depreciation

Depreciation is calculated to write off the depreciable amount of other plant and equipment on a straight line basis over their estimated useful lives. Depreciable amount is determined after deducting the residual value from the cost.

Capital work-in-progress is not depreciated as the asset is not yet available for use.

The principal annual rates used for this purpose are:

Machinery, furniture and site equipment	20%
Office equipment and renovation	10% – 20%
Motor vehicles	20%
Computer and peripherals	20% – 33.33%
Plant	3.33% (2019: 4.76%)

The residual values, useful lives and depreciation method are reviewed at least at the end of each reporting period and revised if circumstances or expectations have changed during the reporting period. The change is accounted for as a change in accounting estimate by changing the depreciation charge for the current and future periods.

2.9 Intangible assets

(a) Intangible asset recognised pursuant to IC Interpretation 12 *Service Concession Arrangements ("IC 12")*

Intangible asset comprising concession rights (intangible asset model, as defined in IC 12) is stated as cost less accumulated amortisation and impairment losses.

Intangible asset is not amortised during the year as the concession asset is still under construction. The amortisation begins when the concession asset is completed and ready for it to be capable of operating in the manner intended by management.

At end of each reporting period, the Group assesses whether there is any indication of impairment. If such indication exists, the carrying amount is assessed and written down immediately to its recoverable amount.

The intangible asset model, as defined in IC 12, applies to service concession arrangements where the grantor has not provided a contractual guarantee in respect of the amount receivable for constructing and operating the asset. Under this model, during construction or upgrade phase, the Group records an intangible asset representing the right to charge users of the public service and recognised profits from the construction or upgrade of the public service infrastructure. Income and expenses associated with construction contracts are recognised in accordance with MFRS 15 *Revenue from Contracts with Customers.*

Borrowing costs incurred in connection with an arrangement falling within the scope of IC 12 will be expensed as incurred, unless the Group recognises an intangible asset under the interpretation. In this case, borrowing costs are capitalised in accordance with the general rules of MFRS 123 *Borrowing Costs.*

Notes to the Financial Statements
for the year ended 31 October 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Intangible assets

(b) Development expenditure

Research expenditure is recognised as an expense when it is incurred.

Expenditure on development activities, whereby the research findings are applied to a plan or design for the production of new or substantially improved products and processes, are capitalised as intangible assets when the following criteria are fulfilled:

(i) it is technically feasible to complete the intangible asset so that it will be available for use or sale;

(ii) management intends to complete the intangible asset and use or sell it;

(iii) there is an ability to use or sell the intangible asset;

(iv) it can be demonstrated how the intangible asset will generate probable future economic benefits;

(v) adequate technical, financial and other resources, to complete the development projects and to use or sell the intangible asset, are available; and

(vi) the expenditure attributable to the intangible asset during its development can be reliably measured.

The expenditure capitalised include the cost of materials, expertise, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use. Capitalised development expenditure is measured at cost less accumulated amortisation and impairment losses, if any. Development expenditure initially recognised as an expense is not recognised as an asset in the subsequent period. Other development expenditure that do not meet these criteria are recognised as an expense when incurred.

The development expenditure is amortised on a straight-line basis over its useful life ranging from two to three years from the point at which the asset is ready for sale or use. In the event that the expected future economic benefits are no longer probable of being recovered, the development expenditure is written down to its recoverable amount.

The amortisation method, useful lives and residual value are reviewed, and adjusted if appropriate, at the end of each reporting period.

(c) Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses, if any.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Impairment of tangible and intangible assets

(a) Goodwill

Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that the goodwill may be impaired.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("CGU") that are expected to benefit from synergies of the business combination.

An impairment loss is recognised when the carrying amount of the CGU, including the goodwill, exceeds the recoverable amount of the CGU. Recoverable amount of the CGU is the higher of the CGU's fair value less cost to sell and its value in use.

The total impairment loss is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU proportionately on the basis of the carrying amount of each asset in the CGU.

Impairment loss recognised for goodwill is not reversed in the event of an increase in recoverable amount in subsequent periods.

(b) Tangible assets and intangible assets with finite useful life

Tangible assets and intangible assets other than goodwill are assessed at each reporting date to determine whether there is any indication of impairment.

If such an indication exists, the asset's recoverable amount is estimated. The recoverable amount is the higher of an asset's fair value less cost to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

An impairment loss is recognised whenever the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

Any reversal of an impairment loss as a result of a subsequent increase in recoverable amount should not exceed the carrying amount that would have been determined (net of amortisation or depreciation, if applicable) had no impairment loss been previously recognised for the asset.

2.11 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of an instrument.

Financial assets and financial liabilities are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities on initial recognition.

Notes to the Financial Statements
for the year ended 31 October 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Financial instruments (cont'd)

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Subsequent measurement

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. Financial assets are measured subsequently in the following manners:

- at amortised cost (debt instruments);
- at fair value through other comprehensive income ("FVTOCI"), with recycling of cumulative gains and losses (debt instruments);
- designated at FVTOCI, without recycling of cumulative gains and losses (equity instruments); or
- at fair value through profit or loss ("FVTPL").

Financial assets at amortised cost

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when an asset is derecognised, modified or impaired.

Financial assets at FVTOCI

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at FVTOCI, the related interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. All other changes in the carrying amount are recognised in other comprehensive income ("OCI") and accumulated in a reserve in equity.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Financial instruments (cont'd)

Equity instruments designated at FVTOCI

Upon initial recognition, management may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:
- it has been acquired principally for the purpose of selling it in the near term;
- on initial recognition it is part of a portfolio of identified financial instruments that the entity manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative instrument (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in OCI and accumulated in a reserve in equity. Equity instruments designated at FVTOCI are not subject to impairment assessment.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL, including but not limited to:
- Debt instruments that are designated as at FVTPL, if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.
- Derivative instruments.

Financial assets at FVTPL are measured at fair value, with fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial assets.

Impairment of financial assets

Loss allowance is recognised for expected credit losses ("ECL") for all debt instruments not held at FVTPL, i.e., financial assets at amortised cost or FVTOCI, receivables, lease receivables, contract assets, loan commitments and financial guarantee contracts.

ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that are expected to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial asset.

Management measures the loss allowance of trade receivables and contract assets at an amount equal to their lifetime ECL (i.e., simplified approach). The ECL on these financial assets are estimated based on historical credit loss experience, and where appropriate, adjusted for forward-looking factors specific to the debtors and the economic environment.

For all other financial assets at amortised cost, where credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECL is provided for credit losses that result from default events that are possible within 12 months after the reporting date. For those credit exposures for which there has been a significant increase in the likelihood or risk of a default occurring since initial recognition (instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring), a loss allowance is required for credit losses expected over the remaining life of the financial assets.

Notes to the Financial Statements

for the year ended 31 October 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Financial instruments (cont'd)

Derecognition of financial assets

A financial asset is derecognised only when the contractual rights to the cash flows from the financial asset expire; or when the financial asset is transferred and substantially all the risks and rewards of ownership of the financial asset are transferred to another party.

If the entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to control a transferred financial asset, the entity recognises its retained interest in the financial asset and an associated liability for amounts it may have to pay. If the entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the entity continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the financial asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. On derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the reserve is reclassified to profit or loss. On derecognition of an investment in equity instrument classified at FVTOCI, the cumulative gain or loss previously accumulated in the reserve is transferred to retained earnings.

Financial liabilities and equity instruments

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial liabilities

All financial liabilities are subsequently measured at FVTPL or at amortised cost.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is:

- contingent consideration of an acquirer in a business combination;
- held for trading; or
- it is designated as at FVTPL.

Financial liabilities are classified as held for trading if they are held for the purpose of repurchasing in the near term. This category also includes derivatives entered into by the entity that are not designated as hedging instruments. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Financial liabilities at FVTPL are measured at fair value, with gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liabilities.

For financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in OCI, unless the recognition of the effects of changes in the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in OCI are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Notes to the Financial Statements
for the year ended 31 October 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Financial instruments (cont'd)

Financial liabilities at amortised cost

These financial liabilities are subsequently measured at amortised cost using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument or a financial liability by allocating interest income/expense over the relevant periods. The effective interest rate is the rate that exactly discounts estimated future cash receipts/payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of a debt instrument or a financial liability, to the amortised cost of the debt instrument or the financial liability.

Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued are initially measured at their fair values and, if not designated as at FVTPL and do not arise from a transfer of a financial asset, are subsequently measured at the higher of:

- the loss allowance determined in accordance with MFRS 9; and
- the amount recognised initially less, where appropriate, cumulative amount of income recognised.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the obligations under the liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

When an existing financial liability is replaced by another financial liability from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability.

Equity instrument

Equity instruments issued are recognised at the proceeds received. Costs incurred directly attributable to the issuance of the equity instruments are accounted for as a deduction from equity.

Repurchase of own equity instruments is deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of own equity instruments.

Notes to the Financial Statements
for the year ended 31 October 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Financial instruments (cont'd)

Equity instrument (cont'd)

(a) Ordinary shares

Ordinary shares are classified as equity. Dividends thereon are recognised as distributions within equity.

(b) Sukuk Musharakah ("Perpetual Sukuk")

Perpetual sukuk is classified as equity instruments as there is no contractual obligation to redeem the instrument. Cost directly attributable to the issuance of the instrument, net of tax, are treated as a deduction from the proceeds.

Perpetual sukuk holders' entitlement is accounted for as a distribution recognised in the statement of changes in equity in the period in which it is declared.

(c) Treasury shares

Shares repurchased by the Company are held as treasury shares and are measured and carried at the cost of purchase. Treasury shares are presented in the financial statements as a set-off against equity.

No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares. Should such shares be re-issued by re-sale in the open market, the difference between the sales consideration and the carrying amount of the treasury shares is shown as a movement in equity. Where treasury shares are distributed as share dividends, the cost of the treasury shares is applied in the reduction of the distributable retained profits.

2.12 Revenue and other income recognition

Revenue from a contract with a customer is recognised when control of the goods or services are transferred to the customer. Revenue is measured based on the consideration specified in the contract to which the entity expects to be entitled in exchange for transferring the goods or services to the customer, excluding amounts collected on behalf of third parties.

If a contract with a customer contains more than one performance obligation, the total consideration is allocated to each performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

(a) Environmental engineering, landscaping, infrastructure and construction contracts

Revenue is recognised over time, if (i) the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs; or (ii) the entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

Revenue is recognised over the period of the contract by measuring the progress towards complete satisfaction of that performance obligation. Revenue is measured on the basis of the entity's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation. The stage of completion is determined by the proportion of contract costs incurred to-date relative to the estimated total contract costs.

(b) Significant financing component in the contracts with customers

In determining the transaction price, the promised amount of consideration is adjusted for the effects of the time value of money if the timing of payments agreed to by the parties to the contract (either explicitly or implicitly) provides the customer or the entity with a significant benefit of financing the transfer of goods or services to the customer.

Financing revenue or financing cost is recognised only to the extent that a contract asset (or receivable) or a contract liability is recognised in accounting for a contract with a customer.

Notes to the Financial Statements
for the year ended 31 October 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 Revenue and other income recognitions (cont'd)

(c) Sale of electricity generated from renewable energy park

Revenue from sale of electricity generated from renewable energy park is recognised over time as the customers simultaneously received and consumed the benefits provided by the Group's performance. The revenue recognised is the amount to which the Group has a right to invoice as it corresponds directly with the value to the customer of the Group's performance that is completed to date. This revenue also includes an estimated value of the electricity delivered from the date of their last meter reading and period end.

(d) Management services and maintenance works

Revenue from management services and maintenance works is recognised over time, if a customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.

Revenue is recognised using an input or output method, where applicable, to measure progress towards complete satisfaction of the services.

When the entity has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the entity's performance completed to date (for example, a service contract in which the entity bills a fixed amount for each month of service provided), the entity may recognise revenue in the amount to which the entity has a right to invoice.

(e) Tipping fees and sales of solar panels

Revenue from tipping fees and sales of solar panels are recognised at the point in time when the performance obligation is satisfied.

(f) Dividend income

Dividend income is recognised when the right to receive payment is established.

(g) Interest income

Interest income is recognised using the effective interest method.

Contract Balances Arising from Revenue Recognition

Contract assets are the right to consideration in exchange for goods or services transferred to customers. If goods or services are transferred to customers before the customers pay consideration or before payment is due, contract assets are recognised for the earned consideration that is conditional. Trade receivables represent the entity's right to an amount of consideration that is unconditional.

Contract liabilities are the obligation to transfer goods or services to customers for which the entity has received consideration (or an amount of consideration is due) from the customers. If the customers pay consideration before the entity transfers goods or services to the customers, contract liabilities are recognised when the payment is made or the payment is due (whichever is earlier).

Notes to the Financial Statements
for the year ended 31 October 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 Leases

The Group as Lessee

Leases on and after 1 November 2019

Right-of-use assets and corresponding lease liabilities are recognised with respect to all lease agreements, except for short-term leases and leases of low value assets.

For short-term leases (i.e., leases with a lease term of 12 months or less) and leases of low value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the lease commencement date, discounted using the rate implicit in the lease or incremental borrowing rate, where applicable. Lease payments included in the measurement of the lease liability comprise: (i) fixed lease payments, less lease incentives; (ii) variable lease payments based upon an index or a rate; and (iii) payments of penalties for terminating the lease.

The right-of-use assets comprise the corresponding lease liability, lease payments made at or before the lease commencement date and initial direct costs. Whenever there is an obligation to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the agreed condition, a provision is recognised. These costs are included in the related right-of-use assets.

Right-of-use assets are measured at cost less accumulated depreciation and impairment losses. They are depreciated over the shorter period of lease term and useful life of the underlying assets. The depreciation starts on the lease commencement date. The depreciation periods and depreciation method are reviewed, and adjusted if appropriate, at each reporting date.

Variable lease payment (not based upon an index or a rate) are recognised as an expense in the period in which it is incurred.

Leases before 1 November 2019

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time.

(a) *Finance lease*

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred.

Plant and equipment acquired by way of finance leases are stated at amount equal to the lower of their fair values and the present value of minimum lease payments at the inception of the leases, less accumulated depreciation and any impairment losses.

In calculating the present value of the minimum lease payments, the discount rate is the interest rate implicit in the leases, if this is determined, if not the Group's incremental borrowing rate is used.

(b) *Operating lease*

An operating lease is a lease other than a finance lease.

Operating lease income or operating lease rentals are credited or charged to profit or loss on a straight-line basis over the period of the lease.

Notes to the Financial Statements
for the year ended 31 October 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

2.15 Employee benefits

(a) Short term employee benefits

Wages, salaries, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as an expense in the period in which the associated services are rendered by employees.

(b) Defined contribution plans

The Company and its subsidiaries pay monthly contributions to the Employees Provident Fund ("EPF") which is a defined contribution plan.

The legal or constructive obligation of the Company and its subsidiaries is limited to the amount that they agree to contribute to the EPF. The contributions to the EPF are recognised in profit or loss in the period to which they relate.

(c) Employees leave entitlement

Employees entitlement to annual leave are recognised as a liability when they accrue to the employee. The estimated liability for leave is recognised for services rendered by employees up to the reporting date.

(d) Employees' Share Option Scheme ("ESOS")

Employees and directors of the Group receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled transactions with employees and directors is measured by reference to the fair value of the options at the date on which the options are granted. This cost is recognised in profit or loss, with a corresponding increase in the employee share option reserve over the vesting period, if any.

The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised at the beginning and end of that period.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an option are modified, the minimum expense recognised is the grant date fair value of the unmodified option, provided the original vesting terms of the option are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an option is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The employee share option reserve is transferred to retained earnings upon expiry of the share options. When the options are exercised, the employee share option reserve is transferred to share capital if new shares are issued.

Notes to the Financial Statements
for the year ended 31 October 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.16 Income tax

The income tax expense represents the aggregate of current tax and deferred tax.

Current tax and deferred tax are recognised in profit or loss. Current tax and deferred tax are recognised in other comprehensive income or directly in equity, if the tax relates to items that are recognised in other comprehensive income or directly in equity. Where deferred tax arises from a business combination, the tax effect is included in the accounting for the business combination.

Current Tax

Current tax is the expected income tax payable on the taxable profit for the year, estimated using the tax rates enacted or substantially enacted by the reporting date.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future payment to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable.

Deferred Tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, which is accounted using the liability method.

A deferred tax liability is recognised for all taxable temporary differences. A deferred tax asset is only recognised for deductible temporary differences and unutilised tax credit to the extent that it is probable that taxable profit will be available in future against which the deductible temporary differences and unutilised tax credit can be utilised.

No deferred tax is recognised for temporary differences arising from the initial recognition of: (i) goodwill, or (ii) an asset or liability (which is not in a business combination) at the time of the transaction that affects neither accounting profit nor taxable profit.

Deferred taxes are measured based on tax consequences that would follow from the manner in which the asset or liability is expected to be recovered or settled, and based on the tax rates enacted or substantively enacted at the reporting date that are expected to apply to the financial period when the asset is realised or when the liability is settled.

2.17 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, short term deposits at call and short term deposits pledged to banks which are subject to insignificant risk of changes in value and have average maturity below 90 days.

For the purpose of statements of cash flows, cash and cash equivalents exclude short term deposits with maturity above 90 days and are presented net of bank overdraft.

Notes to the Financial Statements
for the year ended 31 October 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.18 Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.19 Segment reporting

For management purposes, the Group is organised into operating segments based on their services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Group who is the chief operating decision-maker and regularly reviews the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 34 to the financial statements, including the factors used to identify the reportable segments and the measurement basis of segment information.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of financial statements requires management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosures of contingent assets and liabilities at the end of reporting period, and reported amounts of income and expenses during the financial year.

Although these estimates are based on management's best knowledge of current events and actions, historical experiences and various other factors, including expectations for future events that are believed to be reasonable under the circumstances, actual results may ultimately differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Notes to the Financial Statements
for the year ended 31 October 2020

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

3.1 Judgements made in applying accounting policies

The significant judgements made by management in the process of applying the Group's and the Company's accounting policies that have a significant effect on the amounts recognised in the financial statements are as follows:

(a) Revenue from environmental engineering, landscaping, infrastructure and construction contracts

The Group and the Company recognise revenue from environmental engineering, landscaping, infrastructure and construction contracts based on input method. The stage of completion is measured by reference to the contract costs incurred for work performed to date bear to the estimated total contract costs. The contract costs incurred for work performed including claims submitted to or certified by customers. However, there are circumstances where contract cost is recognised based on work performed but yet to be certified by customers, which are commonly encountered in the final claim submitted upon the completion of the entire project.

In such circumstances, significant judgement is required in determining the stage of completion, the extent of the contract costs incurred, the estimated total contract revenue (for contracts other than fixed price contracts) and contract costs, as well as the recoverability of the contracts. Total contract revenue also includes an estimation of the recoverable variation works that are recoverable from customers. In making the judgement, the Group and the Company evaluate based on past experience and/or by relying on the work of other specialists. It is also the policy of the Group and of the Company to have informal discussion with the customers on the amount to be claimed before the formal claims are submitted.

The directors are of the opinion that all claims submitted based on work performed will not differ materially from the eventual certification by the customers.

The determination of transaction price involves judgement where a contract contains a significant financing component. Management consider all relevant facts and circumstances in assessing whether a contract contains a financing component and whether that financing component is significant to the contract.

When the period between the satisfaction of performance obligation and payment from the customer exceeds a year, the Group adjusts the transaction price with the customer and recognises a financing component. In adjusting for the financing component, the Group uses a discount rate that would reflect that of a separate financing transaction between the Group and its customer at contract inception.

Management regularly reviews the construction costs, taking into account the costs to date and costs to complete for each project including technical and other requirements in order to estimate project cost accrual. Management also closely monitoring the status of each project and where necessary, submitted revised completion dates to customers due to temporary closure of project sites during the period of Movement Control Order in the country and concluded no liquidated damages to be recognised in the financial statements, as the revised completion dates are mutually agreed and in accordance with the relevant clause of the contracts with customers.

(b) Revenue and cost recognition for intangible assets model

The Group adopts the intangible asset model as defined in IC 12, and has recognised a reasonable construction margin for the construction of its concession assets. Income and expenses associated with the said construction are recognised based on input method. The estimated margin is based on estimated fair value and/or promised compensation of services less estimated cost of construction of the concession assets.

Notes to the Financial Statements
for the year ended 31 October 2020

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources associated with estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are as follows:

(a) Impairment of intangible assets

The Group and the Company determine whether concession asset under construction, development expenditure in progress and goodwill are impaired at least on an annual basis. This requires an estimation of the value in use of the CGU to which these assets are allocated. Estimating the value in use requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those future cash flows. The future cash flows are most sensitive to budgeted gross margins, growth rates and discount rate used. If the expectation is different from the estimation, such difference will impact the carrying amounts of the intangible assets.

(b) Impairment of investments in subsidiaries

Investments in subsidiaries are assessed at the end of each reporting period to determine whether there is any indication of impairment. If such an indication exists, an estimation of the recoverable amount is required. Estimating the recoverable amount requires management to make an estimate of the expected future cash flows from the Company's investments in subsidiaries and also choose a suitable discount rate in order to calculate the present value of those cash flows.

(c) Depreciation and impairment of plant and equipment

The Group and the Company review the estimated useful lives of plant and equipment at the end of each reporting period. Changes in the expected useful lives of plant and equipment could impact future depreciation charges.

Plant and equipment are assessed at the end of each reporting period to determine whether there is any indication of impairment. If such an indication exists, an estimation of the recoverable amount is required. Estimating the recoverable amount requires management to make an estimate of the expected future cash flows from the plant and equipment or the related cash generating unit.

(d) Amortisation and useful lives of development expenditure

Development expenditure of the Group and the Company that is ready for sale or use is amortised over its estimated useful life. The determination of the estimated useful life of the development expenditure requires management's judgement which includes analysing the circumstances, the industry and market practice.

(e) Determining the loss allowance for trade receivables and contract assets

Management assesses the ECL for trade receivables and contract assets at each reporting date. Credit losses are the difference between the contractual cash flows that are due to the entity and the cash flows that it actually expects to receive. Management applies simplified approach of MFRS 9 Financial Instruments in assessing the impairment of trade receivables and contract assets.

In determining the ECL, management uses historical credit loss experience for trade receivables and contract assets to estimate the ECL. Management is not only required to consider historical information that is adjusted to reflect the effects of current conditions and information that provides objective evidence that trade receivables and contract assets are impaired in relation to incurred losses, but management is also considering, when applicable, reasonable and supportable information that may include forecasts of future economic conditions when estimating the ECL, on an individual and collective basis. The need to consider forward-looking information means that management exercises considerable judgement as to how changes in economy outlook will affect the ECL on trade receivables and contract assets.

The ECL assessment on trade receivables and contract assets as at current reporting date is primarily based upon the historical credit loss experience and current status of the debtors.

Notes to the Financial Statements
for the year ended 31 October 2020

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

3.2 Key sources of estimation uncertainty (cont'd)

The key assumptions concerning the future and other key sources associated with estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are as follows: (cont'd)

(f) Determining the loss allowance for non-trade receivables

Management assesses the ECL of receivables (other than trade receivables) at each reporting date. Credit losses are the difference between the contractual cash flows that are due to the entity and the cash flows that it actually expects to receive.

In determining the ECL, management assesses whether there has been any significant increase in credit risk since initial recognition of a receivable. Where there has not been a significant increase in credit risk since initial recognition, management determines the loss allowance by estimating an amount equal to 12-month ECL of that receivable. For those credit exposures for which there has been a significant increase in the likelihood or risk of a default occurring since initial recognition (instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring), management measures a loss allowance for credit losses expected over the remaining life of that receivable. Management exercise considerable judgement in these estimations, using historical credit loss experience as well as reasonable and supportable information that may include financial position of receivable and economy outlook when estimating the ECL.

(g) Lease liabilities

Management estimates the lease term as the non-cancellable period of a lease together with both periods covered by an option to extend the lease and an option to terminate the lease. In assessing whether it is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, management exercises judgement by considering all relevant facts and circumstances that create an economic incentive to exercise the option to extend the lease, or not to exercise the option to terminate the lease.

Management measures the lease liability as the present value of the lease payments that are not paid at commencement date. The lease payments are discounted using the incremental borrowing rate.

The lease terms and discount rate are determined using certain assumptions and they represents management's best estimation. The assumptions on which it is based relate to the future. Actual outcome may be different from the estimation and the variation could be material.

(h) Income taxes

Significant judgement is involved in determining the capital allowances and deductibility of expenses during the estimation of the provision for income tax. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group and the Company recognise liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(i) Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unutilised tax credits and tax losses to the extent that it is probable that taxable profits will be available in future against which the deductible temporary differences and unutilised tax losses can be utilised.

Significant judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profit together with future tax planning strategies.

Notes to the Financial Statements
for the year ended 31 October 2020

4. PLANT AND EQUIPMENT

Group	Machinery, furniture and site equipment RM'000	Office equipment and renovation RM'000	Motor vehicles RM'000	Computer and peripherals RM'000	Plant RM'000	Capital work-in-progress RM'000	Total RM'000
Cost							
At 1 November 2018	3,706	1,366	4,667	1,581	265,743	20,777	297,840
Additions	-	9	639	96	-	372	1,116
Disposals	-	-	(570)	-	-	-	(570)
At 31 October 2019	3,706	1,375	4,736	1,677	265,743	21,149	298,386
Effect of adoption MFRS 16 (Note 38)	-	-	(4,639)	-	-	-	(4,639)
Acquisition of a subsidiary (Note 33)	-	-	-	-	-	4,765	4,765
Additions	-	123	-	205	-	89,047	89,375
At 31 October 2020	3,706	1,498	97	1,882	265,743	114,961	387,887
Accumulated depreciation							
At 1 November 2018	2,600	772	3,262	1,509	73,255	-	81,398
Charge for the year	139	149	584	63	12,658	-	13,593
Disposals	-	-	(570)	-	-	-	(570)
At 31 October 2019	2,739	921	3,276	1,572	85,913	-	94,421
Effect of adoption MFRS 16 (Note 38)	-	-	(3,179)	-	-	-	(3,179)
Charge for the year	129	167	-	73	7,704	-	8,073
At 31 October 2020	2,868	1,088	97	1,645	93,617	-	99,315
Net carrying amount							
At 31 October 2020	838	410	-	237	172,126	114,961	288,572
At 31 October 2019	967	454	1,460	105	179,830	21,149	203,965

Notes to the Financial Statements
for the year ended 31 October 2020

4. PLANT AND EQUIPMENT (CONT'D)

Company	Office equipment and renovation RM'000	Motor vehicles RM'000	Computer and peripherals RM'000	Total RM'000
Cost				
At 1 November 2018	529	30	393	952
Additions	9	-	76	85
At 31 October 2019	538	30	469	1,037
Additions	123	-	205	328
At 31 October 2020	661	30	674	1,365
Accumulated depreciation				
At 1 November 2018	478	30	328	836
Charge for the year	17	-	56	73
At 31 October 2019	495	30	384	909
Charge for the year	34	-	68	102
At 31 October 2020	529	30	452	1,011
Net carrying amount				
At 31 October 2020	132	-	222	354
At 31 October 2019	43	-	85	128

Acquisitions of plant and equipment during the financial year were financed by:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Cash payments	89,375	573	328	85
Finance lease arrangement	-	543	-	-
	89,375	1,116	328	85

Notes to the Financial Statements
for the year ended 31 October 2020

4. PLANT AND EQUIPMENT (CONT'D)

Assets held under finance lease

The carrying amount of the Group's motor vehicles held under finance leases at the reporting date was RMNil (2019: RM1,459,000).

The Group's motor vehicles held under finance leases were pledged as security for the related lease liabilities (Note 5 and 29(c)).

Capital work in-progress

The capital work in-progress relates to expenditures for renewable energy plants in the course of construction.

Capitalisation of borrowing costs

The Group's plant and equipment include borrowing costs arising from bank loans borrowed specifically for the purpose of the construction of the plants. During the financial year, the borrowing costs capitalised as cost of plant and equipment amounted to RM735,000 (2019: RM299,000).

Changes of useful lives of plants

During the financial year, the management reassessed the useful lives of its plant and concluded that the estimated useful life of plant with cost of RM172,015,000 to be revised from 21 years to 30 years based on its internal assessment by bench marking to life expectancy of comparable solar asset. The change is adjusted prospectively in the financial statements and the effect on the future depreciation expense is as follow:

	Group			
	FY2021 – FY2034 RM'000	FY2035 RM'000	FY2036 – FY2037 RM'000	FY2038 RM'000
(Decrease)/Increase in annual depreciation expense	(4,960)	5,058	7,808	1,912

Notes to the Financial Statements
for the year ended 31 October 2020

5. RIGHT-OF-USE ASSETS/ (LEASE LIABILITIES)

The Group as lessee

	Group 2020 RM'000
Right-of-use assets	
At 1 November 2019	-
Effect of adoption MFRS 16 (Note 38)	7,734
Depreciation	(963)
At 31 October 2020	6,771
Right-of-use assets at the end of the financial year comprise of:	
Land	5,850
Motor vehicles	921
	6,771
Lease liabilities:	
Current	697
Non-current	6,625
	7,322

The leases of land and motor vehicles are typically made for periods of 1 to 19 years. The lessors generally do not impose any covenants.

Changes in lease liabilities (fixed lease payments) arising from financing activities:

	Group 2020 RM'000
At 1 November 2019	-
Effect of adoption MFRS 16 (Note 38)	8,003
Cash flows:	
Lease payment	(1,067)
Interest paid	(76)
Non-cash:	
Finance cost	462
At 31 October 2020	7,322

Some leases contain extension options exercisable by the Group. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options.

The lease payments associated with short-term leases or leases of low-value assets are recognised as an expense on a straight-line basis over the lease term. No right-of-use assets and lease liabilities are recognised for these leases.

Total cash outflows for leases during the current financial year (including short-term and low-value assets lease payments) amounted to RM2,365,000.

Notes to the Financial Statements
for the year ended 31 October 2020

6. INTANGIBLE ASSETS

Group	Intangible asset recognised pursuant to IC 12 RM'000	Development expenditure RM'000	Club membership RM'000	Goodwill RM'000	Total RM'000
Cost					
At 1 November 2018	796,745	19,592	170	462	816,969
Additions	50,900	4,090	-	-	54,990
At 31 October 2019	847,645	23,682	170	462	871,959
Additions	23,523	3,635	-	4,505	31,663
At 31 October 2020	871,168	27,317	170	4,967	903,622
Accumulated amortisation					
At 1 November 2018	-	3,648	-	-	3,648
Charge for the year	-	3,648	-	-	3,648
At 31 October 2019	-	7,296	-	-	7,296
Charge for the year	-	5,467	-	-	5,467
At 31 October 2020	-	12,763	-	-	12,763
Net carrying amount					
At 31 October 2020	871,168	14,554	170	4,967	890,859
At 31 October 2019	847,645	16,386	170	462	864,663

Company	2020 RM'000	2019 RM'000
Development expenditure		
Cost		
At 1 November	31,103	25,663
Additions	5,015	5,440
At 31 October	36,118	31,103
Accumulated amortisation		
At 1 November	9,587	4,794
Charge for the year	7,182	4,793
At 31 October	16,769	9,587
Net carrying amount		
At 31 October	19,349	21,516

Notes to the Financial Statements
for the year ended 31 October 2020

6. INTANGIBLE ASSETS (CONT'D)

(a) Intangible asset recognised pursuant to IC 12

On 9 November 2015, a wholly-owned subsidiary of the Company, Cypark Smart Technology Sdn. Bhd. ("CST") entered into a Concession Agreement ("CA") with the Solid Waste and Public Cleansing Management Corporation and the Government of Malaysia, which was represented by the Ministry of Housing and Local Government.

Pursuant to the Solid Waste and Public Cleansing Management Act 2007 (Act 672) and on a Public Private Partnership basis, the Government awarded to CST, the rights to undertake the design, construction, maintenance, operation and management of Solid Waste Modular Advanced Recovery and Treatment Systems incorporating Waste-to-Energy systems (the "SMART WTE System") at Ladang Tanah Merah, Negeri Sembilan under Build-Operate-Manage-Transfer concept for a period of 25 years, subject to the terms and conditions of the CA.

The SMART WTE System that entails SMART technology and design which utilises 100% clean technology concepts and system to produce renewable source for the production of renewable energy. The system consists of the following:

- Waste Receiving Facility
- Waste Segregation Facility
- Waste Recycling Facility
- Waste to Energy Plant
- Fully Anaerobic Bioreactor System
- Sanitary Landfill

Under the CA, the Government shall deliver the municipal waste from designated scheme areas to CST for treatment and disposal at the SMART WTE System. CST is entitled to be paid an agreed fee as defined in the CA known as tipping fees. CST shall also be generating revenue from sales of electricity for converting the waste to clean renewable energy under the Sustainable Energy Development Authority Malaysia ("SEDA") Act. CST has successfully secured the Feed-in Tariff ("FiT") quota to supply 25MW renewable energy from waste to energy source by SEDA pursuant to Section 7 of the Renewable Energy Act 2011.

Intangible asset represents fair value of the consideration receivable for the construction of the SMART WTE System during the construction stage on a mark-up basis of the cost incurred in connection with the CA.

As the concession asset is still under construction, hence the intangible asset is not amortised until it is complete or ready for it to be capable of operating in the manner intended by management.

The recoverable amount has been determined based on value in use calculation using cash flows projections covering a period of 21 years (2019: 22 years) from financial budgets approved by the directors.

The Group believes that any possible change in the above key assumptions applied is not likely to materially cause recoverable amount to be lower than its carrying amount.

During the financial year, the borrowing costs capitalised in the intangible asset amounted to RM23,522,000 (2019: RM28,422,000).

The intangible asset is pledged as security for the borrowings as disclosed in Note 19 to the financial statements.

Notes to the Financial Statements
for the year ended 31 October 2020

6. INTANGIBLE ASSETS (CONT'D)

(b) Development expenditure

Development expenditure comprise of expenditures incurred on designing and testing of new or substantially improved products and processes relating to the use of a special technique and design of tools in renewable energy industry. Management believes that it will increase the yield and profit streams principally from renewable energy segment where it can be reasonably anticipated that the costs will be recovered through commercialisation, sale and marketing of all the resulting products or services from the development.

Development projects in progress of the Group and of the Company as at the end of the reporting period amounted to RM10,005,000 (2019: RM12,739,000) and RM13,376,000 (2019: RM16,722,000) respectively.

The useful life of completed development projects ranged between two to three years. The amortisation of development expenditure is included in cost of sales.

The recoverable amount has been determined based on value in use calculation using cash flow projections covering a period of 30 years (2019: 21 years) from financial budgets approved by the directors.

The Group believes that any possible change in the above key assumptions applied is not likely to materially cause recoverable amount to be lower than its carrying amount.

(c) Goodwill

Goodwill arises from the reverse acquisition of the Company and also the business combination of certain subsidiaries in renewable energy segment. Goodwill is allocated, at acquisition date, to CGU that are expected to benefit from that business combination.

Included in the carrying amount is the provisional goodwill of RM4,505,000 (2019: RMNil) related to the acquisition of 51% equity interest in BAC Biogas (Kg. Gajah) Sdn. Bhd. as disclosed in Note 33(c) to the financial statements.

The Group tests the goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

(i) Goodwill arises from reverse acquisition

The recoverable amount of this goodwill has been determined based on value in use calculation using cash flow projections from financial budgets approved by the directors covering a five-year period.

(ii) Goodwill allocated to subsidiaries in sale of renewable energy segment

The recoverable amount of this goodwill has been determined based on value in use calculation using cash flow projections covering a period of 20 to 21 years (2019: 21 years) from financial budgets approved by the directors.

The Group believes that any possible change in the above key assumptions applied is not likely to materially cause recoverable amount to be lower than its carrying amount.

The Group applies pre-tax discount rates ranging from 5.41% to 9.0% (2019: 7% to 12%) to the relevant future cash flows.

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7. INVESTMENTS IN SUBSIDIARIES

	Company 2020 RM'000	Company 2019 RM'000
Unquoted shares, at cost	46,151	46,151

The subsidiaries, all incorporated in Malaysia and having principal place of business in Malaysia, are as follows:

Name of subsidiaries	Principal activities	Proportion (%) of ownership interest 2020	Proportion (%) of ownership interest 2019
Held by the Company:			
Cypark Sdn. Bhd.	Landscape specialist that offers integrated turnkey contract services, management services, planning and design services for external built environment and landscape maintenance services, project management services and infrastructure developments	100	100
Cypark Renewable Energy Sdn. Bhd.	Investment holding and renewable energy specialist that offers environmental engineering and integrated turnkey contract services, management services and planning and design services	100	100
Cypark Smart Resources Sdn. Bhd.	Investment holding	100	100
Cypark FMS Sdn. Bhd.*	Investment holding	100	100
Cypark Green Tech Sdn. Bhd.*	Investment holding	100	100
Cypark Green Resources Sdn. Bhd.**	Investment holding	100	-
Cypark Suria Merchang Sdn. Bhd.**	Renewable energy	70	-
Forenergy Sdn. Bhd. *	Dormant	100	100
Held through Cypark Renewable Energy Sdn. Bhd.:			
Kenari Pasifik Sdn. Bhd.*#	Investment holding	-	-
Tiara Insight Sdn. Bhd.*#	Investment holding	-	-
Semangat Sarjana Sdn. Bhd.*#	Investment holding	-	-
Cypark Suria (Negeri Sembilan) Sdn. Bhd.	Investment holding	100	100
Cypark Ref Sdn. Bhd.	Renewable energy and solar business	100	100
Cypark Suria (Sua Betong) Sdn. Bhd.	Dormant	100	100
Held through Cypark Suria (Negeri Sembilan) Sdn. Bhd.:			
Cypark Suria (Pajam) Sdn. Bhd.	Renewable energy	100	100
Cypark Suria (Kuala Sawah) Sdn. Bhd.	Renewable energy	100	100
Cypark Suria (Bukit Palong) Sdn. Bhd.	Dormant	100	100

Notes to the Financial Statements
for the year ended 31 October 2020

7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The subsidiaries, all incorporated in Malaysia and having principal place of business in Malaysia, are as follows: (cont'd)

Name of subsidiaries	Principal activities	Proportion (%) of ownership interest 2020	2019
Held through Kenari Pasifik Sdn. Bhd.:			
Gaya Dunia Sdn. Bhd.*#	Renewable energy	-	-
Held through Tiara Insight Sdn. Bhd.:			
Rentak Raya Sdn. Bhd.*#	Renewable energy	-	-
Held through Semangat Sarjana Sdn. Bhd.:			
Ambang Fiesta Sdn. Bhd.*#	Renewable energy	-	-
Held through Cypark Smart Resources Sdn. Bhd.:			
Cypark Smart Technology Holdings Sdn. Bhd.	Investment holding	100	100
Held through Cypark Smart Technology Holdings Sdn. Bhd.:			
Cypark Smart Technology (NS) Sdn. Bhd.	Investment holding	100	100
Held through Cypark Smart Technology (NS) Sdn. Bhd.:			
Cypark Smart Technology Sdn. Bhd.	Waste management facilities	100	100
Held through Cypark FMS Sdn. Bhd.:			
Aomori Kogaku Sdn. Bhd. *	Dormant	70	70
Held through Cypark Green Tech Sdn. Bhd.:			
Reviva Sdn. Bhd. *	Investment holding	100	100
Cypark RE Store Sdn. Bhd. *	Dormant	100	100
Held through Reviva Sdn. Bhd.:			
BAC Biogas (Kg Gajah) Sdn. Bhd. ***	Renewable energy	51	-

Notes to the Financial Statements
for the year ended 31 October 2020

7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The subsidiaries, all incorporated in Malaysia and having principal place of business in Malaysia, are as follows: (cont'd)

* Audited by a firm other than Mazars PLT

** Subsidiary is consolidated based on management accounts for the financial year ended 31 October 2020. The financial statements of the subsidiary are not required to be audited as it was only incorporated on 24 January 2020

*** Subsidiary is consolidated based on management accounts for the financial year ended 31 October 2020. The statutory financial year end of a newly acquired subsidiary was 31 December and it did not coincide with the Group. The newly acquired subsidiary is audited by a firm other than Mazars PLT

Refer to Note 7 (b)

(a) In the prior year, the Company increased its equity interest in Cypark Renewable Energy Sdn. Bhd. ("CRE") from RM2,000,000 to RM5,000,000 by way of subscribing 3,000,000 ordinary shares of RM1 each in CRE through the capitalisation of amount owing by CRE amounting RM3,000,000 to the Company.

(b) Business combination

The Group has control over the financial and operating policies of these entities and receives substantially all of the benefits related to their operations and net assets with control obtained on 30 April 2013. Consequently, the Group consolidates these six companies as subsidiaries.

(c) The Group has assessed the non-controlling interests in the subsidiaries of the Group and has determined that the non-controlling interests are not material to the Group's financial position.

8. INVESTMENT IN AN ASSOCIATE

	Group	
	2020 RM'000	2019 RM'000
Unquoted shares, at cost	3,364	3,000
Share of results	68	111
	3,432	3,111

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements is as follow:

	2020 RM'000	2019 RM'000
Net assets	4,201	4,329
Proportion of ownership interest held by the Group	40%	34%
Group's share of net assets	1,680	1,472
Goodwill	1,752	1,639
Carrying amount of the Group's interest in the associate	3,432	3,111

Notes to the Financial Statements
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9. DEFERRED TAX ASSETS/(LIABILITIES)

Deferred tax assets/(liabilities) as at reporting date relate to the following:

	As at 1 November 2018 RM'000	Recognised in profit or loss (Note 26) RM'000	As at 31 October 2019 RM'000	Recognised in profit or loss (Note 26) RM'000	As at 31 October 2020 RM'000
Group					
Deferred tax assets:					
Provisions	74	37	111	(3)	108
Unabsorbed business losses	-	-	-	21,811	21,811
Unabsorbed capital allowances	39,548	(2,827)	36,721	(4,175)	32,546
Unabsorbed investment tax allowances	4,375	1,156	5,531	2,404	7,935
	43,997	(1,634)	42,363	20,037	62,400
Deferred tax liabilities:					
Borrowing cost capitalised	-	-	-	(25,821)	(25,821)
Contract assets	(3,584)	(4,930)	(8,514)	(1,131)	(9,645)
Lease liabilities	-	-	-	(22)	(22)
Payables and loans	-	(2,930)	(2,930)	(284)	(3,214)
Plant and equipment	(43,499)	1,627	(41,872)	5,002	(36,870)
	(47,083)	(6,233)	(53,316)	(22,256)	(75,572)
	(3,086)	(7,867)	(10,953)	(2,219)	(13,172)
Company					
Deferred tax assets:					
Provisions	36	(3)	33	37	70
Deferred tax liabilities:					
Plant and equipment	4	(3)	1	(24)	(23)
	40	(6)	34	13	47

Notes to the Financial Statements
for the year ended 31 October 2020

9. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

Presented after appropriate offsetting are as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Deferred tax assets	3,694	502	47	34
Deferred tax liabilities	(16,866)	(11,455)	-	-
	(13,172)	(10,953)	47	34

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2020 RM'000	2019 RM'000
Lease liabilities	140	-
Unutilised business losses	276	276
Unabsorbed investment tax allowances	227,978	237,993
	228,394	238,269

The Group is eligible to claim 100% (2019: 100%) investment tax allowance ("ITA") on all qualifying expenditures incurred for its renewable energy business segment, within 5 years from the date that the qualifying expenditure is first incurred. ITA on the said qualifying expenditure together with unutilised business losses are available for offset against the future taxable profits of the Group, subject to agreement by the Inland Revenue Board.

Pursuant to the relevant tax legislation, unabsorbed investment tax allowances can be carried forward indefinitely and unutilised business losses will expire as follows:

	Group	
	2020 RM'000	2019 RM'000
Expire in 2025	276	276

Notes to the Financial Statements
for the year ended 31 October 2020

10. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Non-current				
Trade receivables				
Retention sums	2,948	3,175	-	206
Current				
Trade receivables				
Third parties (Note (a))	59,623	18,171	10,251	8,797
Retention sums	3,687	4,115	236	-
Amounts due from subsidiaries (Note (a))	-	-	2,600	1,340
	63,310	22,286	13,087	10,137
Other receivables				
Amounts due from subsidiaries (Note (b))	-	-	453,279	421,200
Sundry receivables	46,550	9,232	502	293
Refundable deposits	5,593	3,623	1,133	453
	52,143	12,855	454,914	421,946
	115,453	35,141	468,001	432,083
Total trade and other receivables	118,401	38,316	468,001	432,289
Total trade and other receivables	118,401	38,316	468,001	432,289
Cash and bank balances (Note 13)	359,380	523,649	74,130	98,779
Total financial assets at amortised cost	477,781	561,965	542,131	531,068

(a) Trade receivables

The Group's and the Company's normal trade credit term ranges between 30 to 90 (2019: 30 to 90) days. Other credit terms are assessed and approved on a case-by-case basis. Trade receivables are recognised at their original invoice amounts which represent their fair values on initial recognition. Included in trade receivables of the Company are amounts due from subsidiaries of RM2,600,000 (2019: RM1,341,000), which are subject to normal trade terms.

The retention sums are due upon the expiry of the defect liability period stated in the respective contracts. The defect liability periods ranged between 12 to 36 (2019: 12 to 36) months.

Subsequent to the financial year end and up to the date of this report, from the trade receivables, the Group and the Company have recovered RM29,752,000 (2019: RM6,754,000) and RM335,000 (2019: RM6,141,000) respectively.

Notes to the Financial Statements
for the year ended 31 October 2020

10. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade receivables (cont'd)

Ageing analysis of trade receivables

The ageing analysis of the Group's and the Company's trade receivables are as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Not past due	53,468	8,460	10,371	1,083
1 to 30 days past due	96	408	-	-
31 to 90 days past due	355	298	-	-
More than 90 days past due	12,339	16,295	2,716	9,260
	12,790	17,001	2,716	9,260
	66,258	25,461	13,087	10,343

(i) Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are retention sums and receivables from creditworthy customers with good payment records with the Group and the Company.

None of the Group's and the Company's trade receivables that are neither past due nor impaired have been renegotiated during the financial year (2019: Nil).

(ii) Receivables that are past due but not impaired

The Group and the Company have trade receivables amounting to RM12,790,000 (2019: RM17,001,000) and RM2,716,000 (2019: RM9,260,000), respectively that are past due at the reporting date but not impaired. The Group's trade receivables arise from customers with more than five (2019: four) years of experience with the Group and the Company with good track records. The receivables that are past due but not impaired are unsecured in nature. Having considered all pertinent information at the reporting date, the directors are of the opinion that the amounts are recoverable, taking into account no historical credit loss experience by the Group and the Company.

(b) Amounts due from subsidiaries

Amounts due from subsidiaries are unsecured, non-interest bearing, receivable on demand and/or expected to recover in the next twelve months.

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11. CONTRACT ASSETS

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
At 1 November	539,164	294,874	79,630	98,091
Revenue recognised during the year	259,715	317,247	5,510	12,337
Transfer to receivables	(96,776)	(72,957)	(5,762)	(30,798)
At 31 October	702,103	539,164	79,378	79,630

Revenue from contracts with customers are recognised over time, while the customers are billed via progress billings according to contractual milestones.

A contract asset is recognised in respect of the right to consideration for work performed which has not been billed at the reporting date. Contract assets are reclassified to trade receivables at the point at which it is billed to the customers and none of the amounts are past due at the reporting date.

Included in contract assets of the Group and the Company is an amount of RM30,000,000 pertains to work performed yet to be billed to a customer in respect of a development project. The progress of the project was delayed due to the change of customer for the proposed development project. The negotiations with the new customer and obtaining relevant approvals from authorities were delayed due to unforeseen circumstances in previous financial period. The Group and the Company endeavour to commence the development project in next financial period. Based on the current progress of approvals and execution of head of agreement with the customer, the directors are confident the amount is recoverable and will be billed based on agreed terms with the customer.

Subsequent to the financial year end and up to the date of this report, the Group and the Company have billed RM4,606,000 (2019: RM5,918,000) and RM347,000 (2019: RM514,000) respectively out of the contract assets.

Contract assets as at the end of the financial year include unbilled financing revenue arising from contracts with customers amounted to RM48,823,397 (2019: RM18,000,000).

12. OTHER CURRENT ASSETS

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Prepaid operating expenses	1,283	653	326	123
Goods and Services Tax ("GST") recoverable	-	1,310	-	1,310
	1,283	1,963	326	1,433

GST recoverable pertains to net amount of GST recoverable from the Royal Malaysian Customs Department.

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13. CASH AND BANK BALANCES

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Short term deposits	277,356	492,630	50,123	90,066
Cash at banks and on hand	82,024	31,019	24,007	8,713
Cash and bank balances	359,380	523,649	74,130	98,779

Short term deposits of the Group and of the Company amounting to RM70,314,000 (2019: RM55,687,000) and RM13,148,000 (2019: RM12,861,000) respectively are pledged to licensed banks for credit facilities granted to the Group and the Company which are restricted and not available for general use.

The interest rates of deposits with licensed banks of the Group and of the Company are ranging between 1.35% to 3.50% (2019: 2.40% to 3.90%) per annum.

For the purposes of the statements of cash flows, cash and cash equivalents comprise the following at the reporting date:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Cash at banks and on hand	82,024	31,019	24,007	8,713
Short term deposits with maturities less than 90 days	273,845	489,238	50,123	90,066
	355,869	520,257	74,130	98,779
Less: Bank overdrafts (Note 19)	(5,069)	(421)	-	-
Cash and cash equivalents	350,800	519,836	74,130	98,779

14. SHARE CAPITAL

	Group and Company	
	Number of shares '000	Amount RM'000
Issued and paid-up ordinary shares:		
At 1 November 2018	299,812	374,588
Issuance of shares:		
- DRS	9,159	13,006
- Exercise of ESOS	5,801	13,387
- Bonus issue	152,669	-
	467,441	400,981
Share issuance expenses	-	(142)
At 31 October 2019	467,441	400,839
Issuance of shares:		
- Exercise of ESOS	12,816	7,626
Share issuance expenses	-	1,078
At 31 October 2020	480,257	409,543

Notes to the Financial Statements
for the year ended 31 October 2020

14. SHARE CAPITAL (CONT'D)

During the financial year, the Company increased its total number of issued and paid-up share capital from 467,441,453 ordinary shares to 480,257,053 ordinary shares by way of issuance of 12,815,600 new ordinary shares in the Company ("CRB Shares") at an exercise price of RM0.595 per share pursuant to the exercise of options under the ESOS.

In the previous financial year, the Company increased its total number of issued and paid-up share capital from 299,812,372 ordinary shares to 467,441,453 ordinary shares by way of:

(a) Issuance of 9,159,400 CRB Shares at an issue price of RM1.42 per share pursuant to the DRS;

(b) Issuance of 5,526,000 CRB Shares at an exercise price of RM2.12 per share pursuant to the exercise of options under the ESOS;

(c) Issuance of 274,500 CRB Shares at an exercise price of RM1.40 per share pursuant to the exercise of options under the ESOS; and

(d) Issuance of 152,669,181 CRB Shares on the basis of 1 bonus share for every 2 existing CRB Shares held.

The new CRB Shares rank pari passu in all respects with the then existing ordinary shares of the Company.

The holders of ordinary shares are entitled to receive dividends as and when declared at the meetings of the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

<u>Dividend Reinvestment Scheme ("DRS")</u>

The DRS was established upon the approval from shareholders at the Annual General Meeting held on 21 April 2015. The DRS provides shareholders with the option to reinvest their dividends partially or wholly in new CRB shares in lieu of receiving cash.

Shareholders are expected to benefit from their participation in the DRS as the new shares may be issued at a discount and the DRS provides flexibility for the shareholders to choose to receive the dividends in cash or reinvesting them into the Company.

The DRS will also benefit the Company as the reinvestment of dividends by the shareholders in new shares will enlarge the share capital base and strengthen the capital position of the Company. The cash retained will be preserved to fund the Group's continuing growth and expansion plan and for the Group's working capital purpose.

In relation to dividends to be declared, the Board of directors ("Board") may, at its absolute discretion, determine whether to offer shareholders the reinvestment option and where applicable, the Electable Portion of the dividends to which the reinvestment option applies. The Company is not obliged to undertake the DRS for every dividend to be declared.

In this respect, the Electable Portion may encompass the whole dividends declared or only a portion of the dividends. In the event the Electable Portion is not applicable for the whole dividends declared, the Non-Electable Portion will be paid in cash.

The issue price of such new shares will be fixed by the Board on the price fixing date and shall be determined based on the 5-day Volume Weighted Average Price ("VWAP") of the CRB Shares immediately preceding the price fixing date, with a discount of not more than ten percent (10%). The VWAP shall be adjusted ex-dividends before applying the said discount in fixing the Issue Price. In any event, the Issue Price will not be lower than the par value of CRB Shares of RM0.50 each.

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15. REVERSE ACQUISITION RESERVE

In accordance with the principles of reverse acquisition in MFRS 3: *Business Combinations,* the amount recognised as issued instruments in the consolidated financial statements is determined by adding the cost of the business combination to the issued equity of the subsidiary being acquired immediately before the business combination. However, the equity structure appearing in the consolidated financial statements is of the Company.

Therefore, a reverse acquisition reserve of RM36,700,000 has been created, being the difference between the required Group's equity structure and the reported equity of the Company.

16. EMPLOYEE SHARE OPTION RESERVE

Employee share option reserve represents the equity-settled share options granted to the directors and employees. The reserve is made up of the cumulative value of services received from the directors and employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry or exercise of the share options.

The ESOS was implemented on 19 October 2015. The ESOS allows the Company to grant share options to eligible employees and directors of the Group of up to 15% of the issued and paid-up share capital of the Company. The ESOS is governed by the By-Laws which was approved by the shareholders at the Tenth Annual General Meeting on 21 April 2015. The ESOS shall be in force for a period of 5 years up to 18 October 2020 and pursuant to By-Laws 21, the Board shall have the discretion to extend the duration of the ESOS for a maximum period of 5 years. Upon the recommendation of Option Committee, the Company had on 9 October 2020 announced that the duration of the ESOS will be extended for a further of one (1) year period from 19 October 2020 to 18 October 2021.

The salient features of the ESOS are as follows:

(i) Option Committee is appointed by the Board to administer the ESOS, may from time to time grant options to eligible employees and directors of the Group to subscribe for new CRB Shares;

(ii) The total number of new ordinary shares to be offered under the ESOS shall not exceed in aggregate fifteen percent (15%) of the issued and paid-up share capital of the Company at any point in time during the existence of the ESOS. In addition, not more than 10% of the new CRB Shares available under the ESOS shall be allocated to any individual director or employee who, either singly or collectively through person(s) connected with him/her, holds 20% or more in the issued and paid-up capital of the Company;

(iii) Eligible persons are employees and directors of the Group that have attained the age of eighteen (18) years, in full time confirmed employment and payroll or such person is serving in a specific designation under an employee contract for a fixed duration of at least one (1) year, not a participant of any other employee share option scheme within the Group which is in force for the time being and such person has fulfilled any other eligibility criteria determined by the Option Committee. For the avoidance of doubt, the Option Committee may determine any other eligibility criteria and/or waive any of the conditions of eligibility as set out in the By-Laws, for purposes of selecting an eligible person at any time and from time to time, in the Option Committee's discretion;

(iv) The criterion of allotment of new CRB Shares is by reference to the category of the eligible persons in consideration with due regard to, amongst others, the performance in the Group and seniority of the eligible persons;

(v) The price at which the grantee is entitled to subscribe for each new CRB Share under the ESOS shall be determined based on the five (5)-day VWAP of the CRB Shares immediately preceding the date of offer, with a discount of not more than ten percent (10%) or such other percentage of discount as may be permitted by Bursa Malaysia Securities Berhad or any other relevant authorities from time to time during the duration of the ESOS. In any event, the exercise price of the ESOS options will not be lower than the par value of CRB Share of RM0.50 each;

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16. EMPLOYEE SHARE OPTION RESERVE (CONT'D)

(vi) All new CRB Shares issued upon exercise of the options granted under the ESOS will rank pari passu in all respects with the existing CRB Shares except that the new CRB Shares issued will not be entitled to any dividend, rights or other distributions declared, made or paid to shareholders prior to the date of allotment; and

(vii) The options granted under ESOS are not assignable.

Grant date:	30/12/2019	26/3/2020
Number of options:	33,800,000	48,600,000
Exercise period:	30/12/2019 to 11/3/2020 (cancelled)	26/3/2020 to 18/10/2021
Exercise price:	RM1.24	RM0.595

The movements during the financial year in the number of ESOS of the Company are as follows:

	No. of options '000	Weighted average exercise price	Weighted average share price at exercise date
At 1 November 2018	14,491	2.12	
Bonus issue	4,483		
Exercised	(5,801)	1.40 to 2.12	2.37
At 31 October 2019	13,173	1.40	
Granted	82,400	0.595 to 1.24	
Cancelled	(46,973)		
Exercised	(12,816)	0.595	0.95
At 31 October 2020	35,784		

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.

A total of 33,800,000 ESOS options ("2019 Options") under the ESOS Scheme was offered to eligible directors and employees at RM1.24 on 30 December 2019 and were fully accepted by all eligible directors and employees on 23 January 2020.

However, all the outstanding ESOS options of 2017 Options and 2019 Options totalling 46,973,000 units were cancelled upon the mutual agreement with the respective ESOS Options holders on 11 March 2020. The cancellation was mainly due to the outstanding ESOS Options no longer serve as the effective tools to motivate, encourage, reward and retain the eligible employees and the directors since the CRB shares have predominantly been trading below the exercise prices of the ESOS Options.

Subsequent to the cancellation, a total of 48,600,000 ESOS options ("2020 Options") under the ESOS Scheme was offered to eligible directors and employees at RM0.595 on 26 March 2020 and were fully accepted by all the eligible directors and employees on 17 April 2020.

Exercisable ESOS as at the end of the reporting period is 35,784,400 (2019: 13,173,000) options.

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16. EMPLOYEE SHARE OPTION RESERVE (CONT'D)

Fair value of share options granted

The fair values of the share options granted under the ESOS was determined using the binomial option pricing model, taking into account the terms and conditions upon which the instruments were granted by. The model simulates the total shareholder return. It takes into account historic dividends, share price fluctuation covariance of the Company and each entity of the group of competitors to predict the distribution of relative share performance.

The significant inputs to the model were as follows:

	2020	2019
Weighted average share price (RM)	0.70	2.40
Weighted average exercise price (RM)	0.595	2.12
Expected volatility (%)	39.07	24.82
Expected life (years)	1.00	3.48
Risk-free interest rate (%)	2.89	3.73
Dividend yield (%)	nil	2.47

The expected life of the share options is based on historical data and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility of share price is indicative of future trends, which may also not necessarily be the actual outcome.

17. TREASURY SHARES

The shareholders of the Company by an ordinary resolution passed on 10 March 2020, approved the mandate for the Company's plans to repurchase its own ordinary shares.

During the financial year, the Company has purchased a total of 7,630,100 ordinary shares of its issued shares capital from the open market at an average price of RM0.76 per share. The total consideration paid for the purchase, including transaction costs, was RM5,790,060 and was financed by internally generated funds. The purchased shares are held as treasury shares in accordance with the provisions of Section 127(4) of the Companies Act 2016. There was no cancellation, resale or reissuance of treasury shares during the financial year.

As at 31 October 2020, of the total 480,257,053 issued and fully paid ordinary shares, 7,630,100 are held as treasury shares by the Company.

Notes to the Financial Statements
for the year ended 31 October 2020

18. PERPETUAL SUKUK

	Group 2020 RM'000	Group 2019 RM'000
Issuance nominal value	119,350	-
Less: Transaction costs, net of tax	(2,023)	-
	117,327	-
Distribution to perpetual sukuk holders	1,143	-
	118,470	-

On 4 September 2020 and 7 October 2020, a wholly owned subsidiary of the Company, Cypark Renewable Energy Sdn. Bhd. ("CRE") issued RM97,250,000 and RM22,100,000 nominal value of Perpetual Sukuk Musharakah ("perpetual sukuk") under the Perpetual Sukuk Musharakah programme of up to RM500 million. These issued perpetual sukuk are part of the first tranche of the programme. The proceeds from the issuance of the perpetual sukuk are for refinancing of existing financings/borrowings, working capital, investment, capital expenditure and general corporate purposes.

The perpetual sukuk is accounted for as an equity instrument as there is no contractual obligation to redeem the instrument.

The salient features of the perpetual sukuk are as follows:

(i) The perpetual sukuk is issued under the Shariah principle of Musharakah and unrated.

(ii) The perpetual sukuk is structured with a perpetual tenure and there is no fixed maturity date where CRE is required to redeem the perpetual sukuk mandatorily.

(iii) The perpetual sukuk shall at all times constitute direct, secured or unsecured (as the case may be), unconditional and subordinated obligations of CRE under the laws of Malaysia and shall at all times rank pari passu among themselves and as follows:

(a) in respect of such issuance of the secured perpetual sukuk, rank pari passu, without priority among themselves but each issuance of perpetual sukuk will be secured by their respective security and shall rank at least pari passu with all other present and future unsecured, unconditional and subordinated obligations of CRE and with any Parity Obligations; and

(b) in respect of such issuance of the unsecured perpetual sukuk, rank pari passu without priority amongst themselves, and rank at least pari passu with all other present and future unsecured, unconditional and subordinated obligations of CRE and with any Parity Obligations.

(iv) CRE may opt to defer payment of the Expected Periodic Distribution Amount (in whole or in part) which is otherwise scheduled to be paid on a Periodic Distribution Date by giving an irrevocable optional deferral notice not less than fifteen (15) days and not more than thirty (30) days prior to the relevant Periodic Distribution Date, provided that no Compulsory Periodic Distribution Payment Event has occurred.

A Compulsory Periodic Distribution Payment Event shall have occurred if, during the six (6)-month period ending on the day before the relevant scheduled Periodic Distribution Date, either or both of the following have occurred:

(a) CRE has declared or paid any dividends or made other payments to holders of Junior Obligations or Parity Obligations; or

(b) CRE has redeemed, reduced, cancelled or bought back any of holders of Junior Obligations or Parity Obligations.

Notes to the Financial Statements
for the year ended 31 October 2020

18. PERPETUAL SUKUK (CONT'D)

(v) All matters or resolutions which require the sukukholders' consent under the perpetual sukuk program shall be carried out on a per tranche basis, unless the matter is in relation to the program would affect sukukholders of all tranches.

(vi) CRE has the option to redeem the perpetual sukuk under the following circumstances:

(a) Optional Redemption - CRE may redeem the perpetual sukuk at par at the relevant exercise price on any Call Date;

(b) Accounting Event Redemption - if the perpetual sukuk is or will no longer be recorded as equity as a result of changes to accounting standards;

(c) Tax Event Redemption - if CRE is or will become obliged to pay additional amount due to changes in tax laws or regulations;

(d) Leverage Event Redemption - if the Net Debts Equity Ratio of CRE exceeds 0.75 times; and

(e) Shareholder/Shareholding Event Redemption – if the shareholding of CRE changed.

(f) Sinking Fund Event Redemption - if CRE fails to comply with the Sinking Fund Top Up schedule of the respective tranche.

(vii) The perpetual sukuk issued during the year carried an initial fixed periodic distribution rate of 6.5% per annum payable on semi-annual basis in arrears. The periodic distribution rate of any tranche of perpetual sukuk will be reset at the aggregate of the initial period distribution rate plus step-up margin provided that such rate is capped at maximum rate.

(viii) The first tranche of perpetual sukuk is secured by the followings:

(a) first ranking specific debenture over the building, plant and machinery in relation to the First Tranche Eligible Projects and these projects owners are CRE's subsidiaries.

(b) first ranking legal assignment and charge over the First Tranche Designated Accounts and the credit balances therein as well as the Permitted Investments.

(c) first ranking legal assignment over intercompanies advances agreements entered into between CRE and its subsidiaries, including the assignment over the rights, titles and benefits (including proceeds from the sale of electricity) under the REPPAs entered into between the subsidiaries and Tenaga Nasional Berhad ("TNB") in relation to the First Tranche Eligible Projects.

(d) first ranking assignment over all insurance contracts in relation to the First Tranche Eligible Projects.

Notes to the Financial Statements
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19. LOANS AND BORROWINGS

		Group		Company	
		2020	2019	2020	2019
	Maturity	RM'000	RM'000	RM'000	RM'000
Non-current					
Secured:					
Finance leases (Note 29(c))	2022 - 2023	-	1,314	-	-
Term loans	2022 - 2026	449,344	449,409	-	-
Islamic medium term notes ("IMTNs")	2022 - 2040	536,724	537,818	-	-
		986,068	988,541	-	-
Current					
Secured:					
Finance leases (Note 29(c))	2021	-	415	-	-
Bank overdrafts (Note 13)	On demand	5,069	421	-	-
Trust receipts	2021	112,190	56,627	23,704	18,089
Revolving credits	2021	112,877	83,400	2,000	2,000
Term loans	2021	2,870	44,008	-	-
		233,006	184,871	25,704	20,089
Total loans and borrowings		1,219,074	1,173,412	25,704	20,089

The remaining maturities of the loans and borrowings at the reporting date are as follows:

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
On demand or within 1 year	233,006	184,871	25,704	20,089
More than 1 year and less than 2 years	47,867	53,232	-	-
More than 2 years and less than 5 years	174,241	220,261	-	-
5 years or more	763,960	715,048	-	-
	1,219,074	1,173,412	25,704	20,089

Notes to the Financial Statements
for the year ended 31 October 2020

19. LOANS AND BORROWINGS (CONT'D)

The breakdown of Islamic and Conventional loans and borrowings are as follow:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Non-current				
Islamic	986,068	932,152	-	-
Conventional	-	56,389	-	-
	986,068	988,541	-	-
Current				
Islamic	217,788	167,109	25,704	20,089
Conventional	15,218	17,762	-	-
	233,006	184,871	25,704	20,089
Total	1,219,074	1,173,412	25,704	20,089

Finance leases

Finance leases are secured by a charge over the leased assets as disclosed in Note 4. The discount rate implicit in these leases is Nil (2019: 2.31% and 3.40%) per annum.

Bank overdrafts

Bank overdrafts bear interests ranging from base lending rate ("BLR") + 1% to BLR + 1.75% (2019: BLR + 1% to BLR + 1.75%) per annum.

Trust receipts

Trust receipts bear interests ranging from BLR + 0.5% to BLR + 1.25% and cost of funds ("COF") +1% to COF + 1.25% (2019: BLR + 0.5% to BLR + 1.25% and COF + 1% to COF + 1.25%) per annum.

Revolving credits

Revolving credits bear interest ranging from COF + 1.75% to COF + 2.5% (2018: COF + 1.75% to COF + 2.5%) and BLR + 0.75% (2019: BLR + 0.75%) per annum.

Term loans

Term loans bear interests ranging from COF + 1.75% to COF + 2.25% and at BLR (2019: COF + 1.75% to COF + 2.25% and at BLR) per annum.

Notes to the Financial Statements
for the year ended 31 October 2020

19. LOANS AND BORROWINGS (CONT'D)

The above facilities (except for finance lease and term loans) are secured by way of existing deposits pledged to the financial institutions and corporate guarantee issued by the Company.

The term loans, where applicable, are secured by the following:

(a) a debenture over the fixed and floating charges over present and future assets of the projects funded;

(b) an assignment over all revenue proceeds from the projects funded;

(c) an assignment of all insurance policies relating to the projects funded;

(d) a charge over the designated bank accounts of the project funded; and

(e) a corporate guarantee issued by the Company.

Islamic medium term notes ("IMTNs")

In previous financial year, a wholly owned subsidiary of the Company, Cypark Ref Sdn. Bhd. ("CREF") issued IMTNs pursuant to Sri Sukuk Murabahah Programme ("Sukuk Murabahah") of RM550.0 million in nominal value. Such IMTNs were issued in 19 series with maturities commencing from year 2022 to 2040. The profit margin ranges from 4.60% to 5.99% per annum.

The utilisation of the proceeds from the issuances shall include, but not limited to finance the costs and expenses associated with the design, procurement, construction and commission, of three (3) 30MWAC solar photovoltaic power plant projects under Large Scale Solar ("LSS") 2, the profit payment of the IMTNs during the construction period and to defray any expenses incurred in relation to the IMTNs.

The IMTNs are secured by the following:

(a) the debenture incorporating a first ranking fixed and floating charge over the present and future assets of CREF;

(b) the assignment of Issuer's Material Project Documents;

(c) the assignment and Charge of Designated Accounts (Issuer);

(d) the assignment of Takaful Contracts/Insurance Policies;

(e) the assignment of Project Bonds (Issuer);

(f) the Tripartite Security Deeds under which the assignment of all revenue proceeds of the power purchase agreements signed with TNB of the 3 projects is created; and

(g) Letter of Undertaking (Contingent Equity Support) by the Company.

Notes to the Financial Statements
for the year ended 31 October 2020

20. TRADE AND OTHER PAYABLES

	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Non-current				
Trade payables				
Retention sums	31,983	28,183	-	-
Current				
Trade payables				
Third parties (Note 20(a))	95,336	174,391	2,151	6,876
Retention sums	4,541	4,569	373	374
Amounts due to subsidiaries(Note 20(a))	-	-	-	829
	99,877	178,960	2,524	8,079
Other payables				
Amounts due to subsidiaries (Note 20(b))	-	-	179,095	221,416
Sundry payables	5,622	1,315	306	374
Accruals	27,693	16,608	2,907	5,852
	33,315	17,923	182,308	227,642
	133,192	196,883	184,832	235,721
Total trade and other payables	165,175	225,066	184,832	235,721
Total trade and other payables	165,175	225,066	184,832	235,721
Add: Loans and borrowings (Note 19)	1,219,074	1,173,412	25,704	20,089
Total financial liabilities at amortised cost	1,384,249	1,398,478	210,536	255,810

(a) Trade payables

These amounts are non-interest bearing. The normal trade credit terms granted to the Group and the Company are ranging from 30 to 90 (2019: 30 to 90) days although it is customary for the credit terms to be extended beyond 90 days based on case-by-case basis.

Included in trade payables of the Group is an amount due to a company in which certain directors of the Company have financial interests, CyEn Resources Sdn. Bhd., of RM1,331,000 (2019: RM1,311,000), which is subject to normal trade terms.

Included in trade payables of the Company are amounts due to subsidiaries of RMNil (2019: RM829,000), which are subject to normal trade terms.

The retention sums are payable to the contractors upon the expiry of the defect liability period stated in the respective contracts. The retention sums are payable upon the expiry of the defect liability period ranged from 12 to 36 (2019: 12 to 36) months.

(b) Amounts due to subsidiaries

Amounts due to subsidiaries are unsecured, non-interest bearing and repayable on demand.

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for the year ended 31 October 2020

21. REVENUE

	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Revenue from contracts with customers				
- Environmental engineering	183,213	261,675	23,100	9,302
- Landscaping and infrastructure	20,184	34,482	1,587	3,204
- Maintenance works	3,923	5,131	3,923	5,131
- Green tech and renewable energy	65,857	59,020	-	-
- Management fee	-	-	17,500	17,200
	273,177	360,308	46,110	34,837
Financing revenue arising from contracts with customers	30,823	16,431	-	-
Dividend income	-	-	25,000	8,000
	304,000	376,739	71,110	42,837

Revenue from contracts with customers is recognised over time except for an amount of RM32,035,000 (2019: RM7,501,000) of the Group which is recognised at point in time.

Included in the revenue of environmental engineering segment of the Group is an amount of RMNil (2019: RM22,484,000) which represents revenue from construction services relating to the concession asset.

Reconciliation of revenue and segmental information:

	Group Environmental engineering RM'000	Group Landscaping and infrastructure RM'000	Group Maintenance works RM'000	Group Green tech and renewable energy RM'000
2020				
Revenue from contracts with customers	183,213	20,184	3,923	65,857
Financing revenue arising from contracts with customers	30,823	-	-	-
	214,036	20,184	3,923	65,857
2019				
Revenue from contracts with customers	261,675	34,482	5,131	59,020
Financing revenue arising from contracts with customers	16,431	-	-	-
	278,106	34,482	5,131	59,020

As at 31 October 2020, the aggregate amount of the transaction price allocated to the remaining performance obligation of the Group and of the Company are RM112,072,000 (2019: RM270,323,000) and RM Nil (2019: RM1,513,000) respectively and will recognise this revenue over the next 12 months.

Notes to the Financial Statements
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22. COST OF OPERATIONS

Included in the cost of operations of the Group is an amount of RM30,845,000 (2019: RM4,343,000) which represents finance cost relating to contracts with customers.

23. FINANCE COSTS

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Profit/Interest expenses on:				
- bank overdrafts	433	248	-	-
- finance leases	-	88	-	-
- term loans	6,066	7,416	-	-
- revolving credits	750	463	-	-
- letter of credits	82	75	-	-
- trust receipts	4,154	2,128	-	-
- bank facility fees	226	800	-	-
- bank guarantee commissions	69	535	44	-
- lease liabilities	462	-	-	-
Finance cost of financial instruments at amortised cost	58	293	-	30
	12,300	12,046	44	30

24. PROFIT BEFORE TAX

The following items have been included in arriving at profit before tax:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Auditors' remuneration:				
- statutory audit	274	274	73	73
- non-audit fee	60	48	5	5
Amortisation of development expenditure	5,467	3,648	7,182	4,793
Depreciation of plant and equipment	8,073	13,593	102	73
Depreciation of right-of-use assets	963	-	-	-
Gain on disposal of plant and equipment	-	(117)	-	-
Minimum operating lease payments on:				
- premises	-	327	-	74
- site equipment	-	83	-	-
- motor vehicles	-	417	-	93
- office equipment	-	51	-	4
- land	-	7,037	-	-
Leases expenses on:				
- short-term leases	889	-	105	-
- low value assets	333	-	1	-

Notes to the Financial Statements
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24. PROFIT BEFORE TAX (CONT'D)

The following items have been included in arriving at profit before tax: (cont'd)

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Finance income - financial instruments at amortised cost	(1,241)	(1,176)	(30)	-
Interest income	(3,739)	(3,117)	(972)	(1,344)
	(4,980)	(4,293)	(1,002)	(1,344)
Employee benefits expense (excluding directors' remuneration):				
- salaries and bonuses				
- current	13,491	17,002	3,207	3,251
- overprovision in prior year	(7,195)	(3,521)	(6,139)	(2,232)
- defined contribution plan				
- current	1,824	1,869	109	297
- overprovision in prior year	(1,139)	(423)	(737)	(268)
- social security contributions	92	90	24	26
- ESOS expenses	876	-	876	-
- other benefits	1,150	1,239	708	584
	9,099	16,256	(1,952)	1,658

25. DIRECTORS' REMUNERATIONS

The details of remunerations received/receivable by directors of the Company are as follows:

	Group and Company	
	2020 RM'000	2019 RM'000
Executive:		
Salaries and other allowances	7,532	4,820
Defined contribution plan	904	578
ESOS expenses	1,150	-
Total executive directors' remuneration	9,586	5,398
Non-executive:		
Directors' fees	662	722
ESOS expenses	82	-
Total directors' remuneration	10,330	6,120

Notes to the Financial Statements
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26. TAX EXPENSE

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Current tax:				
- current	23,673	19,611	6,750	2,700
- under/(over) provision in prior year	78	(177)	(131)	(73)
	23,751	19,434	6,619	2,627
Deferred tax (Note 9)				
- current	(538)	7,867	(13)	6
- underprovision in prior year	2,757	-	-	-
	2,219	7,867	(13)	6
	25,970	27,301	6,606	2,633

Income tax is determined at Malaysian statutory tax rate of 24% (2019: 24%) of estimated taxable income.

The provision for taxation differs from the amount of taxation determined by applying the applicable statutory tax rate to the profit before tax as a result of the following differences:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Profit before tax (excluding share of results of associate)	96,664	118,570	50,612	18,920
Taxation at applicable tax rate of 24% (2019:24%)	23,199	28,457	12,147	4,541
Non-deductible expenses	3,765	1,634	590	260
Non-taxable income	(1,459)	(514)	(6,000)	(2,095)
Deferred tax assets not recognised	(2,370)	(2,099)	-	-
Under/(Over) provision in prior year	2,835	(177)	(131)	(73)
	25,970	27,301	6,606	2,633

Any dividend distributed by the Company out of its retained earnings under the single tier tax system is not taxable in Malaysia in the hand of the shareholders.

Notes to the Financial Statements
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27. EARNINGS PER SHARE

Basic earnings per share

The basic earnings per share is calculated by dividing the Group's profit for the year, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2020	2019
Profit attributable to owners of the Company (RM'000)	70,691	91,283
Distribution to holders of perpetual sukuk (RM'000)	(1,143)	-
	69,548	91,283
Weighted average number of ordinary shares ('000)	465,487	460,513
Basic earnings per share (sen)	14.94	19.82

Diluted earnings per share

The diluted earnings per share has been calculated by dividing the Group's profit for the year attributable to owners of the Company by the weighted average number of ordinary shares that would have been in issue upon full exercise of the options under ESOS, adjusted for the number of such shares that would have been issued at fair value at the date of the issue of ESOS, calculated as follows:

	Group	
	2020	2019
Profit attributable to owners of the Company (RM'000)	70,691	91,283
Distribution to holders of perpetual sukuk (RM'000)	(1,143)	-
	69,548	91,283
Weighted average number of ordinary shares for basic earnings per share ('000)	465,487	460,513
Potential shares issued pursuant to ESOS ('000)	11,969	1,647
Adjusted weighted average number of ordinary shares ('000)	477,456	462,160
Diluted earnings per share (sen)	14.57	19.75

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28. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties during the financial year:

	2020 RM'000	2019 RM'000
Group		
Amount charged by a related party for work performed on the maintenance works projects*	2,730	4,424
Amount charged by a related party for work performed on the environmental engineering projects*	11,827	6,163
Company		
Dividend received from subsidiaries	(25,000)	(8,000)
Management fees charged to subsidiaries	(17,500)	(17,200)
Staff costs reimbursed from a subsidiary	(6,374)	(7,923)
Amount charged to a subsidiary for work performed on environmental engineering projects	(7,900)	(5,300)
Amount charged by a subsidiary for work performed on development expenditure	2,400	2,400
Amount charged by a subsidiary for work performed on landscaping and infrastructure projects	1,352	2,559
Amount charged by subsidiaries for work performed on environmental engineering projects	-	4,016
Amount charged by a subsidiary for work performed on maintenance projects	3,531	4,618
Staff costs reimbursed by subsidiaries	2,548	4,384
Amount charged by a related party for work performed on the environmental engineering projects*	2,736	-

Outstanding balances in respect of the above transactions are disclosed in Notes 10 and 20 to the financial statements.

* *Related party refers to a company in which certain directors have financial interests, namely CyEn Resources Sdn. Bhd.*

(b) Compensation of key management personnel

The key management personnel include directors of the Group and certain members of senior management of the Group.

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Short term employee benefits	11,216	7,576	8,889	6,265
Defined contribution plan	1,266	821	987	664
ESOS expenses	1,853	-	1,853	-
Other benefits	5	5	2	4
	14,340	8,402	11,731	6,933

Included in the key management personnel are directors remuneration as disclosed in Note 25 to the financial statements.

(c) The Company has granted intra-group corporate guarantees amounting to RM1,262,020,000 (2019: RM953,156,000) to financial institutions for securing banking facilities of the subsidiaries.

Notes to the Financial Statements
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29. COMMITMENTS AND CONTINGENT LIABILITIES

(a) Capital commitments

Capital expenditure as at the reporting date is as follows:

	Group	
	2020 RM'000	2019 RM'000
Approved and contracted for:		
Intangible assets recognised pursuant to IC12 (Note 6(a))	10,242	10,242
Plant and equipment	288,274	-
	298,516	10,242

(b) Operating lease commitments - as lessee

The Group and the Company entered into commercial leases on certain motor vehicles, premises, land, site and office equipment. Future minimum rentals payable under non-cancellable operating leases at the reporting date are as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Not later than 1 year	-	957	-	17
Later than 1 year but not later than 5 years	-	2,883	-	29
Later than 5 years	-	6,714	-	-
	-	10,554	-	46

(c) Finance lease commitments

The Group has finance leases for certain motor vehicles.

Future minimum lease payments under finance leases together with the present value of the minimum lease payments are as follows:

	Group	
	2020 RM'000	2019 RM'000
Minimum lease payments:		
Not later than 1 year	-	491
Later than 1 year but not later than 2 years	-	468
Later than 2 years but not later than 5 years	-	816
Later than 5 years	-	152
Total minimum lease payments	-	1,927
Less: Amounts representing finance charges	-	(198)
Present value of minimum lease payments	-	1,729

Notes to the Financial Statements

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29. COMMITMENTS AND CONTINGENT LIABILITIES (CONT'D)

(c) Finance lease commitments (cont'd)

The Group has finance leases for certain motor vehicles.(cont'd)

Future minimum lease payments under finance leases together with the present value of the minimum lease payments are as follows: (cont'd)

	Group	
	2020 RM'000	2019 RM'000
Present value of payments:		
Not later than 1 year	-	415
Later than 1 year but not later than 2 years	-	414
Later than 2 years but not later than 5 years	-	754
Later than 5 years	-	146
Present value of minimum lease payments	-	1,729
Less: Amount due within 12 months (Note 19)	-	(415)
Amount due after 12 months (Note 19)	-	1,314

(d) Material litigation

As at end of reporting period, there are five on-going litigation suits with total claims amount of approximately RM11,700,000 brought towards a subsidiary of the Company for purportedly work done but in actual fact the Plaintiffs failed to complete the works for which the subsidiary has counter-claimed. The subsidiary of the Company in its defences reiterated that the Plaintiffs had breached the Contracts for their failure to complete the awarded packages/works in accordance with their contractual obligations and within the completion dates. As a result, the subsidiary had incurred costs and correspondingly filed counter-claims against the Plaintiffs totaling approximately RM11,500,000. The directors are of the opinion that the subsidiary has good defences for the suits and also good chance of success for the counter-claims against the Plaintiffs.

30. FINANCIAL INSTRUMENTS

Fair value of financial instruments that are not measured at fair value on recurring basis

The fair value of IMTNs of the Group at the end of the financial year is approximately RM607,748,000 (2019: RM537,000,000).

The fair value (Level 2) of IMTNs is determined using rate from market data, specific to the instrument in issue. In prior year, the fair value (Level 2) of IMTNs was determined using future cash flows discounted at current market profit rates for similar financial instruments.

There was no transfer between Level 1 and 2 during the financial year (2019: nil).

The loans and borrowings other than finance leases of the Group are reasonable approximations of their fair values because they are floating rate instruments which are re-priced to market interest rates.

The carrying amounts of finance leases are reasonable approximations of fair values due to the insignificant impact of discounting.

The carrying amount of other financial assets and liabilities of the Group and the Company at the reporting date approximated or were at their fair values due to the relatively short-term maturity or related interest are at market rate on those financial instruments.

Notes to the Financial Statements
for the year ended 31 October 2020

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, cash flow and liquidity risks and interest rate risk.

The Board reviews and agrees with the policies and procedures established for these risks, which are executed by the Chief Financial Officer. The audit committee provides independent oversight to the effectiveness of the risk management process.

It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group and the Company did not apply hedge accounting during the financial year (2019: Nil).

There is no significant change to the Group's exposure to financial risk or the manner in which these risks are managed and measured.

The following sections provide details regarding the Group's and the Company's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from contract assets and trade and other receivables.

The Group's and the Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group and the Company trade only with recognised and creditworthy third parties. It is the Group's and the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's and the Company's exposure to bad debts is not significant.

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by:

- The carrying amount of each class of financial assets recognised in the statements of financial position.
- Nominal amounts of RM1,262,020,000 (2019: RM953,156,000) relate to intra-group corporate guarantees provided by the Company to financial institutions on its subsidiaries' loans and borrowings.

As at the reporting date, there was no indication that the subsidiaries would default on repayment since the utilisation of the banking facilities.

Notes to the Financial Statements
for the year ended 31 October 2020

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Credit risk (CONT'D)

Credit risk concentration profile

Trade receivables

At the reporting date, the Group has a significant concentration of credit risk in the form of outstanding balances from five customers (2019: five customers) representing approximately 78% (2019: 82%) of the total trade receivables.

Management concluded that the credit risk in respect of trade receivables is insignificant. These receivables are not secured by any collateral.

Contract assets

At the reporting date, the Group has a significant concentration of credit risk in the form of contract assets from three customers (2019: three customers) representing approximately 88% (2019: 82%) of the total contract assets.

The credit risk is minimal and low as the substantial amount of contract assets are backed by a formal assignment to the Group of all solar energy sales proceeds collectable from TNB as disclosed in Note 19 to the financial statements.

Management applies *simplified* approach (i.e., lifetime expected credit losses) in measuring the loss allowance for trade receivables and contract assets. The expected credit losses on trade receivables and contract assets are estimated using a provision matrix by reference to past default experience of the debtors and an analysis of the debtors' current financial position, adjusted for factors that are specific to the debtors, general economic outlook of the energy industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

During the financial year, no debtor has been identified by the Group and the Company as credit-impaired.

Management writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

Amounts due from subsidiaries

At the reporting date, the Company has a significant concentration of credit risk in the form of outstanding balances from three subsidiaries (2019: two subsidiary) representing approximately 99% (2019: 99%) of the total amounts due from subsidiaries.

Management assesses the credit risk of amounts due from subsidiaries with reference to the financial position, business performance of the subsidiaries and probability of default.

The amounts due from subsidiaries are considered to have low credit risk as the Company has control over the operating, investing and financing activities of its subsidiaries. The use of advances to assist with the subsidiaries' cash flow management is in line with the Group's treasury management. There has been no significant increase in the credit risk of the amounts due from subsidiaries since initial recognition.

Management has assessed and concluded that any credit risk in respect of amounts due from subsidiaries to be considered insignificant.

Notes to the Financial Statements
for the year ended 31 October 2020

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Cash flow and liquidity risks

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

Management seeks to ensure all business units maintain optimum levels of liquidity at all times, sufficient for their operating, investing and financing activities. The Group expects to meet its obligations from operating cash flows. Nonetheless, the Group has ready sufficient credit facilities available to meet its liquidity requirements while ensuring effective working capital management within the Group. As at the reporting date, the Group has unused credit facilities of RM918,599,000 (2019: RM321,598,000) that it can access to meet liquidity needs. The amount of undrawn borrowing facilities is available for future operating activities and for meeting investing requirements.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	2020				
	On demand or within one year RM'000	One to two years RM'000	Two to five years RM'000	Over five years RM'000	Total RM'000
Group					
Trade and other payables	133,192	11,944	23,876	-	169,012
Loans and borrowings	254,998	74,596	261,060	941,132	1,531,786
	388,190	86,540	284,936	941,132	1,700,798
Lease liabilities	1,121	1,072	2,446	6,020	10,659
	389,311	87,612	287,382	947,152	1,711,457
Company					
Trade and other payables	184,832	-	-	-	184,832
Loans and borrowings	26,167	-	-	-	26,167
Total undiscounted financial liabilities	210,999	-	-	-	210,999
Financial guarantees contracts*	724,071	-	-	-	724,071

Notes to the Financial Statements
for the year ended 31 October 2020

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Cash flow and liquidity risks (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

The table below summarises the maturity profile of the Group's and of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations. (cont'd)

	2019				
	On demand or within one year RM'000	One to two years RM'000	Two to five years RM'000	Over five years RM'000	Total RM'000
Group					
Trade and other payables	196,882	30,443	406	-	227,731
Loans and borrowings	237,798	109,582	367,557	1,012,546	1,727,483
Total undiscounted financial liabilities	434,680	140,025	367,963	1,012,546	1,955,214
Company					
Trade and other payables	235,721	-	-	-	235,721
Loans and borrowings	20,540	-	-	-	20,540
Total undiscounted financial liabilities	256,261	-	-	-	256,261
Financial guarantees contracts*	631,558	-	-	-	631,558

* The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The maximum exposure to the Company amounted to RM724,071,000 (2019: RM631,558,000) representing banking facilities utilised by the subsidiaries at the reporting date. The amount represents maximum guarantees which could be recalled. At the reporting date, the Company does not consider it probable that a claim will be made against Company under the intra-group financial guarantees. The fair value of these corporate guarantees is estimated to be insignificant as the borrowings are fully collateralised by the related mortgaged assets and the subsidiaries have the ability to generate sufficient cash flows from their operations to repay the borrowings.

(c) Interest rate risk

Interest rate risk is the risk that the future cash flows of the Group's and of the Company's financial instruments will fluctuate because of the changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings at floating interest rates. Short term deposits with licensed banks are at fixed interest rates. The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.

Notes to the Financial Statements
for the year ended 31 October 2020

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Interest rate risk (cont'd)

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates were to increase or decrease by 50 basis points with all other variables held constant, the Group's and the Company's profit net of tax would decrease or increase by RM1,174,000 and RM98,000 (2019: RM949,000 and RM76,000) respectively, arising from the outstanding floating rate term loans and borrowings as at the end of the reporting period.

The sensitivity analysis is unrepresentative of the inherent interest rate risk as the year-end exposure does not reflect the exposure during the year.

32. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong financial position and healthy capital ratios in order to support its business and maximises shareholders' value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions including to minimise adverse effects from volatility of the current economy outlook. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No significant changes were made in the objectives, policies or processes during the year.

The Company has given undertakings, which are unsecured, to provide financial support to certain subsidiaries in the Group.

The Group monitors capital using gearing ratio, which is net debt divided by total capital plus net debt.

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Loans and borrowings (Note 19)	1,219,074	1,173,412	25,704	20,089
Less: Cash and bank balances (Note 13)	(359,380)	(523,649)	(74,130)	(98,779)
Net debt/(cash)	859,694	649,763	(48,426)	(78,690)
Equity attributable to the owners of the Company, representing total capital	830,675	757,183	472,200	424,251
Capital and net debts	1,690,369	1,406,946	423,774	345,561
Gearing ratio	50.9%	46.2%	N/A	N/A

Notes to the Financial Statements
for the year ended 31 October 2020

33. ACQUISITION OF SUBSIDIARIES

During the financial year, the Group acquired the following subsidiaries:

(a) On 24 January 2020, the Company incorporated Cypark Green Resources Sdn. Bhd. ("CGRSB") and subscribed one hundred (100) ordinary shares in CGRSB, representing the entire issued and paid-up share capital of CGRSB for a total cash consideration of RM100.

(b) On 24 January 2020, the Company acquired seventy (70) ordinary shares in Cypark Suria Merchang Sdn. Bhd. ("CSMSB"), representing 70% of the issued and paid-up share capital of CSMSB for a total cash consideration of RM70.

(c) On 28 May 2020, the indirectly wholly owned subsidiary of the Company, Reviva Sdn. Bhd. acquired fifty-one (51) ordinary shares in BAC Biogas (Kg. Gajah) Sdn. Bhd. ("BAC Biogas"), representing 51% of the issued and paid-up share capital of BAC Biogas for a total cash consideration of RM6,000,000.

The purchase price allocation of the acquisition of BAC Biogas was provisional as at 31 October 2020 and the Group expects to complete the final purchase price allocation exercise within the twelve-month window period from the acquisition date.

The revenue and the net loss of the above acquired subsidiary included in the consolidated statement of comprehensive income of the Group for the year from date of acquisition to 31 October 2020 amounted to RMNil and RM92,000 respectively. Had the acquisition taken effect on 1 November 2019, the revenue and net loss of BAC Biogas included in the consolidated statement of comprehensive income of the Group would be RMNil and RM93,000 respectively. These figures were presented solely for illustrative purpose to provide reference for comparison in future period.

Details of net assets acquired and net cash outflow arising from the acquisition of BAC Biogas are as follows:

	2020 RM'000
Plant in progress	4,765
Other receivables and deposits	249
Cash and bank balances	27
Other payables and accruals	(2,110)
Net assets	2,931
Non-controlling interest	(1,436)
Provisional goodwill	4,505
Purchase consideration	6,000
Consideration payable	(3,000)
Consideration paid in cash	3,000
Less: Cash and bank balances of subsidiary acquired	(27)
Net cash outflow on acquisition	2,973

In the previous financial year, the Company acquired one hundred (100) ordinary shares in Forenergy Sdn. Bhd. ('FSB'), representing the entire issued and paid-up share capital of FSB for a total cash consideration of RM100. Consequently, the Group consolidated FSB as a subsidiary.

Notes to the Financial Statements
for the year ended 31 October 2020

34. SEGMENT ANALYSIS

Reporting format

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the services provided. The operating businesses are organised and managed separately according to the nature of the services provided, with each segment representing a strategic business unit that provides different services and serves different markets.

Business segments

For management purposes, the Group is organised into business units and has the following reportable business segments:

(i)	Environmental engineering	Provision of nature conservation and environmental amelioration for customers and offer environmental engineering and integrated turnkey contract services, management services, planning and design services.
(ii)	Landscaping and infrastructure	Provision of landscape services, project management services and infrastructure developments.
(iii)	Maintenance works	Provision of specialist maintenance works on leachate treatment plants and maintenance of landscape services for public parks, public amenities and other landscape developments.
(iv)	Green tech & renewable energy	Engage in renewable energy businesses.

The directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and inter-segment pricing is determined on negotiated basis.

Geographical segments

No segmental information is provided on a geographical basis as the Group's activities are conducted predominantly in Malaysia.

Allocation basis

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Notes to the Financial Statements
for the year ended 31 October 2020

34. SEGMENT ANALYSIS (CONT'D)

Information about major customer

The following details relate to major customer with revenue equal or more than 10% of the Group's total revenue:

	Business segments	Number of customer	Revenue RM'000	Percentage of total revenue %
2020				
Revenue	Environmental engineering		168,985	56%
	Landscaping and infrastructure		11,703	4%
		3	180,688	59%
2019				
Revenue	Environmental engineering		232,804	62%
	Landscaping and infrastructure		31,324	8%
		3	264,128	70%

The ultimate customer of these three customers is TNB. They have each signed a 21-year Power Purchase Agreements with TNB.

Notes to the Financial Statements
for the year ended 31 October 2020

34. SEGMENT ANALYSIS (CONT'D)

The following table provides an analysis of the Group's revenue, results, assets and liabilities by business segments:

	Environmental engineering RM'000	Landscaping & infrastructure RM'000	Maintenance works RM'000	Green tech& renewable energy RM'000	Total RM'000
2020					
Revenue					
Total revenue	616,305	67,461	7,454	65,857	757,077
Inter-segment revenue	(402,269)	(47,277)	(3,531)	-	(453,077)
Revenue from external customers	214,036	20,184	3,923	65,857	304,000
Results					
Adjusted earnings before interest, taxes, depreciation and amortisation ("EBITDA")	99,720	7,126	1,278	41,208	149,332
Amortisation of intangible assets	(5,467)	-	-	-	(5,467)
Depreciation of plant and equipment	(237)	-	-	(7,836)	(8,073)
Depreciation of right-of-use assets	(538)	-	-	(425)	(963)
Interest income	1,237	932	-	1,570	3,739
Finance income - financial instrument at amortised costs	1,241	-	-	-	1,241
Finance costs*	(34,517)	(2,176)	-	(6,452)	(43,145)
Share of results of an associate	-	-	-	(43)	(43)
Profit before tax	61,439	5,882	1,278	28,022	96,621
Tax expense					(25,970)
Profit net of tax					70,651
Segment assets	2,041,317	82,841	427	249,917	2,374,502
Included in the measure of segment assets is:					
Additions to non-current assets other than financial instruments and deferred tax assets					
- Plant and equipment	89,375	-	-	-	89,375
- Intangible assets	31,663	-	-	-	31,663
	121,038	-	-	-	121,038
Segment liabilities	1,319,890	85,434	618	18,023	1,423,965

Notes to the Financial Statements
for the year ended 31 October 2020

34. SEGMENT ANALYSIS (CONT'D)

The following table provides an analysis of the Group's revenue, results, assets and liabilities by business segments:

	Environmental engineering RM'000	Landscaping & infrastructure RM'000	Maintenance works RM'000	Green tech& renewable energy RM'000	Total RM'000
2019					
Revenue					
Total revenue	637,432	89,555	9,749	59,020	795,756
Inter-segment revenue	(359,326)	(55,073)	(4,618)	-	(419,017)
Revenue from external customers	278,106	34,482	5,131	59,020	376,739
Results					
Adjusted earnings before interest, taxes, depreciation and amortisation ("EBITDA")	93,381	10,631	1,662	42,233	147,907
Amortisation of intangible assets	(3,648)	-	-	-	(3,648)
Depreciation of plant and equipment	(799)	-	-	(12,794)	(13,593)
Interest income	2,350	607	-	160	3,117
Finance Income - financial instrument at amortised cost	1,176	-	-	-	1,176
Finance costs*	(7,992)	(981)	-	(7,416)	(16,389)
Share of results of an associate	-	-	-	13	13
Profit before tax	84,468	10,257	1,662	22,196	118,583
Tax expense					(27,301)
Profit net of tax					91,282
Segment assets	1,775,145	148,980	1,035	250,274	2,175,434
Included in the measure of segment assets is:					
Additions to non-current assets other than financial instruments and deferred tax assets					
- Plant and equipment	744	-	-	372	1,116
- Intangible assets	54,990	-	-	-	54,990
	55,734	-	-	372	56,106
Segment liabilities	1,202,980	102,982	868	111,425	1,418,255

* Including interest expense recognised in cost of operations

Notes to the Financial Statements
for the year ended 31 October 2020

35. DIVIDENDS

	Group and Company	
	2020 RM'000	2019 RM'000
In respect of the year ended 31 October 2018:		
- a single-tier interim dividend of 3.9 sen per share	-	17,873

As at the date of this report, the directors did not propose the payment of any dividend in respect of the current financial year.

36. SIGNIFICANT EVENT DURING THE REPORTING PERIOD

On 11 March 2020, the World Health Organisation assessed the COVID-19 outbreak as a pandemic due to rapid escalation of COVID-19 cases across the globe. The COVID-19 pandemic also resulted in travel restriction and other precautionary measures implemented by the Government of Malaysia.

The directors have assessed the overall impact of this situation towards the Group's and the Company's operations, financial performance and cash flows and concluded there is no material adverse effect on the Group's and the Company's financial statements for the financial year ended 31 October 2020 except for temporary suspension of site work activities for certain projects of the Group during the Movement Control Order period. Nevertheless, the directors will closely monitor the current developments of COVID-19 pandemic and at the present the facilities and site works activities of the Company are in normal and stable operation.

37. SUBSEQUENT EVENTS

(a) On 20 November 2020 and 30 December 2020, the Group issued additional perpetual sukuk of RM30.25 million and RM15.40 million respectively under the Perpetual Sukuk Musharakah programme.

(b) Subsequent to the financial year end, a resolution in writing pertaining to the relocation of project sites for both power plants currently located at Terip and Kelinchi in Negeri Sembilan to Pasir Mas, Kelantan had been circulated to Sukukholders for approval. The said relocation was proposed by the project owners and approved by Energy Commission.

As at the date of this report, there are no adverse financial impact to the Group as both the Engineering, Procurement, Construction and Commissioning (EPCC) contract and the Turnkey contract shall remain the same.

(c) On 19 January 2021, the Company offered and granted 8,950,000 units of shares option under the existing ESOS Scheme to the eligible employees with an exercise price of RM1.16.

Notes to the Financial Statements
for the year ended 31 October 2020

38. ADOPTION OF NEW STANDARDS

MFRS 16 Leases

Prior to the adoption of MFRS 16, leases are classified either as finance leases or operating leases. A lessee recognises on its statement of financial position assets and liabilities arising from finance leases but not operating leases. Generally, lease expenses arising from operating leases were recognised in profit or loss on straight-line basis over the lease terms.

MFRS 16 replaced MFRS 117 Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, IC Interpretation 115 Operating Leases - Incentives and IC Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. Upon adoption MFRS 16, distinction between finance and operating leases for lessees are no longer applicable. All leases are brought onto the statements of financial position by recognising the corresponding right-of-use assets and lease liabilities, except for some limited exemptions. Generally, lease liabilities are measured at the present value of the future lease payments. Upon initial recognition, right-of-use assets are measured at cost less accumulated depreciation and impairment losses. The corresponding finance costs and depreciation are recognised in profit or loss over the lease term.

In the current year, the Group and the Company applied MFRS 16 for the first time. The Group and the Company adopted MFRS 16 using the modified retrospective approach, with no transitional adjustment on the date of initial application to the opening retained earnings as at 1 November 2019 and without restating the comparative figures. Accordingly, the comparative information is reported in accordance with MFRS 117.

Additionally, the Group and the Company applied the following practical expedients when applying MFRS 16 to contracts previously accounted as operating leases under MFRS 117:

- Applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
- Elected to not include initial direct costs in the measurement of the right-of-use assets for operating leases at the date of initial application, being 1 November 2019.
- Applied the exemption not to recognise right-of-use assets and lease liabilities for leases with less than 12 months of lease term at 1 November 2019 and for leases of low value assets, but to account them consistently for the lease expense on a straight-line basis over the remaining lease term.
- Relied on management's historic assessment as to whether leases were onerous immediately before 1 November 2019, instead of performing an impairment review on the right-of-use assets on 1 November 2019.
- Benefitted from the use of hindsight and own judgement for determining the lease term when considering options to extend and terminate leases.

At 1 November 2019, for leases that were classified as operating leases under MFRS 117, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 November 2019. The rate applied is range from 2.31% to 6.79%. Right-of-use assets are measured at an amount equal to the lease liabilities.

Notes to the Financial Statements
for the year ended 31 October 2020

38. ADOPTION OF NEW STANDARDS (CONT'D)

MFRS 16 Leases (cont'd)

The effect of adoption MFRS 16 as at 1 November 2019 is as follows:

	Group Increase/ (Decrease) RM'000
Assets	
Plant and equipment	(1,460)
Right-of-use assets	7,734
Total assets	6,274
Liabilities	
Lease liabilities	8,003
Loans and borrowings	(1,729)
Total liabilities	6,274

The reconciliation between the operating and finance lease commitments disclosed applying MFRS 117 as at 31 October 2019, discounted using the incremental borrowing rate at the date of initial application, and the lease liabilities recognised in the statements of financial position at the date of initial application:

	Group RM'000	Company RM'000
Operating and finance lease commitments as at 31 October 2019	12,283	46
Short term and low-value assets leases	(679)	(46)
Effect of discounting using incremental borrowing rate	(3,601)	-
Lease liabilities recognised as at 1 November 2019	8,003	-

39. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on 25 January 2021 by the board of directors.

Statement by Directors

Pursuant to Section 251(2) of the Companies Act 2016

We, Tan Sri Razali Bin Ismail and Dato' Daud Bin Ahmad, being two of the directors of Cypark Resources Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 083 to 160 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 October 2020 and financial performance and cash flows of the Group and of the Company for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the board of directors in accordance with a directors' resolution.

TAN SRI RAZALI BIN ISMAIL
Director

DATO' DAUD BIN AHMAD
Director

Kuala Lumpur
25 January 2021

Statutory Declaration

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Dato' Daud Bin Ahmad (I/C No: 660126-01-5165), being the director primarily responsible for the financial management of Cypark Resources Berhad, do solemnly and sincerely declare that, to the best of my knowledge and belief, the accompanying financial statements set out on pages 083 to 160 are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared)
by the abovenamed)
Dato' Daud Bin Ahmad)
at Kuala Lumpur)
in the Federal Territory)
this 25 January 2021)

DATO' DAUD BIN AHMAD

Before me:

Analysis of Shareholdings
as at 20 January 2021

Class of equity security : Ordinary shares
Voting rights : One vote per ordinary share
Total number of issued shares : 487,923,453 (including the treasury shares of 7,630,100)

ANALYSIS OF SHAREHOLDINGS

Ordinary shares

Size of Shareholdings	No. of Shareholders	%	No. of Shares Held	%
1 – 99	113	1.15	3,694	0.00
100 – 1,000	1,613	16.45	1,107,639	0.23
1,001 – 10,000	5,803	59.18	28,225,229	5.88
10,001 – 100,000	1,977	20.16	59,202,421	12.33
100,001 – 24,014,666 (*)	297	3.03	328,912,086	68.48
23,372,072 and above (**)	2	0.02	62,842,284	13.08
TOTAL	**9,805**	**100.00**	**480,293,353**	**100.00**

Remarks: * Less than 5% of issued shares
** 5% and above of issued shares

SUBSTANTIAL SHAREHOLDERS' INTERESTS

The name and shareholdings of the substantial shareholders of Cypark Resources Berhad based on the Register of Substantial Shareholders of the Company as at 20 January 2021 are as follows:

Ordinary Shares

Substantial shareholders' name	Direct Interest Number of Shares	%	Indirect Interest Number of Shares	%
Tan Sri Razali bin Ismail	38,841,820	8.09	–	–
Dato' Daud bin Ahmad	63,998,484	13.32	–	–
Employees Provident Fund Board	29,945,350	6.23	–	–
Amanahraya Trustees Berhad – Amanah Saham Bumiputera	27,730,300	5.77	–	–

DIRECTORS' INTERESTS

The Directors' interests based on the Register of Directors' shareholdings of the Company as at 20 January 2021 are as follows:

Ordinary shares

Directors	Direct Interest Number of Shares	%	Indirect Interest Number of Shares	%
Tan Sri Razali bin Ismail	38,841,820	8.09	–	–
Dato' Daud bin Ahmad (also the Group Chief Executive Officer)	63,998,484	13.32	–	–
Dato' Dr. Freezailah bin Che Yeom	290,900	0.06	–	–
Datuk Abdul Malek bin Abdul Aziz	52,400	0.01	–	–
Headir bin Mahfidz	161,650	0.03	–	–
Megat Abdul Munir bin Megat Abdullah Rafaie	30,800	0.01	–	–

Analysis of Shareholdings
as at 20 January 2021

DIRECTORS' INTERESTS (continued)

Employees' Share Options Scheme

Directors	**Number of Options**	**%**
Tan Sri Razali bin Ismail	4,000,000	10.79
Dato' Daud bin Ahmad (also the Group Chief Executive Officer)	19,525,000	52.67
Dato' Dr. Freezailah bin Che Yeom	525,000	1.42
Datuk Abdul Malek bin Abdul Aziz	300,000	0.81
Headir bin Mahfidz	525,000	1.42
Megat Abdul Munir bin Megat Abdullah Rafaie	525,000	1.42

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS

Ordinary shares

No.	**Shareholders**	**No. of Shares**	**%**
1.	Maybank Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Dato' Daud bin Ahmad*	35,111,984	7.31
2.	Amanahraya Trustees Berhad *Amanah Saham Bumiputera*	27,730,300	5.77
3.	Maybank Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Tan Sri Razali bin Ismail*	23,026,600	4.79
4.	Lembaga Tabung Haji *Lembaga Tabung Haji, Bahagian Pemerosesan Pelaburan*	17,873,800	3.72
5.	Amanahraya Trustees Berhad *Public Smallcap Fund*	16,661,800	3.47
6.	Citigroup Nominees (Tempatan) Sdn. Bhd. *Employees Provident Fund Board*	15,467,150	3.22
7.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Tan Sri Razali bin Ismail (8095427)*	13,222,870	2.75
8.	RHB Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Dato' Daud Bin Ahmad*	12,999,300	2.71
9.	Maybank Nominees (Tempatan) Sdn. Bhd. *MTrustee Berhad for Principal Dali Equity Growth Fund (UT-CIMB-DALI) (419455)*	12,872,250	2.68
10.	Citigroup Nominees (Tempatan) Sdn. Bhd. *Employees Provident Fund Board (CIMB PRIN)*	11,441,400	2.38
11.	Amanahraya Trustees Berhad *Amanah Saham Malaysia 3*	9,367,900	1.95
12.	TA Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Dato' Daud bin Ahmad*	8,426,300	1.75
13.	Citigroup Nominees (Tempatan) Sdn. Bhd. *Great Eastern Life Assurance (Malaysia) Berhad (LPF)*	6,485,000	1.35
14.	RHB Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Dato' Daud Bin Ahmad*	6,224,900	1.30

Analysis of Shareholdings
as at 20 January 2021

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS (continued)

Ordinary shares

No.	Shareholders	No. of Shares	%
15.	Citigroup Nominees (Tempatan) Sdn. Bhd. *Kumpulan Wang Persaraan (Diperbadankan) (Principal Eqits)*	5,903,400	1.23
16.	Citigroup Nominees (Tempatan) Sdn. Bhd. *Kumpulan Wang Persaraan (Diperbadankan) (Kenanga)*	5,754,400	1.20
17.	CIMB Group Nominees (Tempatan) Sdn. Bhd. *CIMB Commerce Trustee Berhad – Kenanga Growth Fund*	5,398,000	1.12
18.	HSBC Nominees (Tempatan) Sdn. Bhd. *HSBC (M) Trustee Bhd for Principal Dali Opportunities Fund*	5,376,150	1.12
19.	CIMB Group Nominees (Tempatan) Sdn. Bhd. *CIMB Commerce Trustee Berhad for Kenanga Growth Opportunities Fund (50154 TR01)*	5,114,800	1.06
20.	Amanahraya Trustees Berhad *PB Smallcap Growth Fund*	4,738,200	0.99
21.	Citigroup Nominees (Tempatan) Sdn. Bhd. *Kumpulan Wang Persaraan (Diperbadankan) (MIDF ABSR EQ)*	4,723,400	0.98
22.	Maybank Nominees (Tempatan) Sdn. Bhd. *National Trust Fund (IFM Kenanga) (410196)*	4,217,400	0.88
23.	CIMB Group Nominees (Tempatan) Sdn. Bhd. *CIMB Commerce Trustee Berhad for Kenanga Shariah Growth Opportunities Fund (50156 TR01)*	4,049,100	0.84
24.	Citigroup Nominees (Tempatan) Sdn. Bhd. *Great Eastern Life Assurance (Malaysia) Berhad (LBF)*	3,828,750	0.80
25.	Citigroup Nominees (Tempatan) Sdn. Bhd. *Great Eastern Life Assurance (Malaysia) Berhad (DR)*	3,641,950	0.76
26.	Yayasan Guru Tun Hussein Onn	3,160,200	0.66
27.	Citigroup Nominees (Tempatan) Sdn. Bhd. *Universal Trustee (Malaysia) Berhad for Principal Dali Equity Fund*	3,104,700	0.65
28.	Citigroup Nominees (Tempatan) Sdn. Bhd. *Employees Provident Fund Board (ARIM)*	3,036,800	0.63
29.	CIMB Islamic Nominees (Tempatan) Sdn. Bhd. *Investment Processing Department*	3,000,000	0.62
30.	Citigroup Nominees (Tempatan) Sdn. Bhd. *Great Eastern Life Assurance (Malaysia) Berhad (LGF)*	2,977,500	0.62
	TOTAL	**284,936,304**	**59.33**

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Sixteenth Annual General Meeting ("**16th AGM**") of the Company will be held on a **fully virtual basis** at the broadcast venue, which is the main venue of the 16th AGM, at Securities Services (Holdings) Sdn. Bhd., Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan on Thursday, 8 April 2021 at 10:00 a.m. for the following purposes:

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 October 2020 together with the Reports of the Directors and the Auditors thereon. (Please refer to Note 7)

2. To approve the payment of Directors' fees for the financial year ending 31 October 2021 and thereafter. (Resolution 1)

3. To re-elect the following Directors who are due to retire in accordance with Clause 119 of the Company's Constitution and being eligible, have offered themselves for re-election:
   (a) Tan Sri Razali Bin Ismail; and (Resolution 2)
   (b) Encik Megat Abdul Munir Bin Megat Abdullah Rafaie. (Resolution 3)

As Special Business

To consider and if thought fit, with or without any modification, to pass the following Ordinary Resolutions:

4. **ORDINARY RESOLUTION NO. 1** (Resolution 4)
   – RETENTION OF DATO' DR. FREEZAILAH BIN CHE YEOM AS AN INDEPENDENT DIRECTOR (Please refer to Note 8 (i))

   "**THAT** Dato' Dr. Freezailah Bin Che Yeom who has served as an Independent Director of the Company for a cumulative term of more than nine years since 8 June 2010, be and is hereby retained as an Independent Director of the Company."

5. **ORDINARY RESOLUTION NO. 2** (Resolution 5)
   – RETENTION OF ENCIK HEADIR BIN MAHFIDZ AS AN INDEPENDENT DIRECTOR (Please refer to Note 8 (ii))

   "**THAT** Encik Headir Bin Mahfidz who has served as an Independent Director of the Company for a cumulative term of more than nine years since 7 September 2010, be and is hereby retained as an Independent Director of the Company."

Notice of Annual General Meeting

6. **ORDINARY RESOLUTION NO. 3** (Resolution 6)
– PROPOSED RENEWAL OF EXISTING SHAREHOLDER MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (Please refer to Note 8 (iii))

"THAT subject to the provisions of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, approval be and is hereby given for the Proposed Renewal of Existing Shareholder Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature for the Company and/or its subsidiaries to enter into and to give effect to the category of the recurrent related party transactions of a revenue or trading nature from time to time with the Related Party as specified in Section 1.4 of the Circular/Statement to Shareholders dated 26 February 2021 provided that such transactions are:

(i) recurrent transactions of a revenue or trading nature;

(ii) necessary for the Company's day-to-day operations;

(iii) carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and

(iv) not to the detriment of minority shareholders

(the **"Proposed Shareholder Mandate"**);

THAT the authority for the Proposed Shareholder Mandate shall continue to be in force until the earlier of:

(i) the conclusion of the next Annual General Meeting ("**AGM**") of the Company at which time it will lapse unless the authority is renewed by a resolution passed at the next AGM;

(ii) the expiration of the period within which the next AGM is to be held pursuant to Section 340(2) of the Companies Act 2016 ("**the Act**") but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act; or

(iii) is revoked or varied by resolution passed by the shareholders in a general meeting before the next AGM;

AND THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required), as they may consider expedient or necessary to give effect to the Proposed Shareholder Mandate."

Notice of Annual General Meeting

7. **ORDINARY RESOLUTION NO. 4** (Resolution 7)
– PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK (Please refer to Note 8 (iv))

"THAT subject to the Companies Act 2016, Bursa Malaysia Securities Berhad ("**Bursa Securities"**) Main Market Listing Requirement, the Constitution of the Company, and all other applicable laws, rules and regulations, be and is hereby given to the Company to purchase such number of ordinary shares as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit, necessary and expedient in the interest of the Company (**"Proposed Share Buy-Back"**), provided that:

(a) the aggregate number of ordinary shares to be purchased by the Company shall not exceed 10% of the total number of issued shares of the Company at any point in time; and

(b) the maximum fund to be allocated by the Company for the purpose of purchasing its ordinary shares shall not exceed the total retained profits of the Company based on the latest audited financial statements and/or the latest unaudited financial statements (where applicable) available at the time of the purchase.

THAT the authority conferred by this resolution shall continue to be in force until:

(i) the conclusion of the next Annual General Meeting (**"AGM"**) of the Company following this AGM at which this resolution was passed at which time the said authority shall lapse unless by an ordinary resolution passed at that next AGM, the authority is renewed, either unconditionally or subject to conditions;

(ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or

(iii) the authority is revoked or varied by ordinary resolution passed by the shareholders in a general meeting, whichever, occurs first, but not so as to prejudice the completion of the purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and/or any other relevant governmental and/or regulatory authorities (if any).

THAT upon completion of the purchase by the Company of its own ordinary shares, the Directors be and are hereby authorised to deal with the ordinary shares purchased in their absolute discretion in the following manners:

(a) cancel all the ordinary shares so purchased; and/or

(b) retain the ordinary shares so purchased as treasury shares for distribution as dividend to the shareholders and/or resell on the market of Bursa Securities and/or transfer under an employees' share scheme and/or transfer as purchase consideration; and/or

(c) retain part thereof as treasury shares and cancel the remainder.

AND THAT the Directors be and are hereby authorised to take all such steps as necessary (including the opening and maintaining of depository account(s) under the Securities Industry (Central Depositories) Act, 1991) and enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time or as the Board may in their discretion deem necessary and to do all such acts and things the Directors may deem fit and expedient in the best interest of the Company."

Notice of Annual General Meeting

8. **ORDINARY RESOLUTION NO. 5**
– AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016

(Resolution 8)
(Please refer to Note 8 (v))

"THAT subject always to the Companies Act 2016 (**"the Act"**), the Constitution of the Company and the approvals from Bursa Malaysia Securities Berhad (**"Bursa Securities"**) and any other relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered pursuant to the Act, to issue and allot shares in the capital of the Company from time to time at such price and upon such terms and conditions, for such purposes and to such person or persons whomsoever the Directors may in their absolute discretion deem fit provided always that the aggregate number of shares issued pursuant to this resolution does not exceed twenty percent (20%) of the total number of issued shares of the Company for the time being to be utilised until 31 December 2021 as empowered by Bursa Securities pursuant to Bursa Malaysia Berhad's letter dated 16 April 2020 to grant additional temporary relief measures to listed issuers and thereafter ten percent (10%) of the total number of issued shares of the Company for the time being as stipulated under Paragraph 6.03(1) of the Bursa Securities Main Market Listing Requirements (hereinafter referred to as the **"General Mandate"**);

AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so be issued pursuant to the General Mandate on Bursa Securities;

AND FURTHER THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company."

Notice of Annual General Meeting

9. **ORDINARY RESOLUTION NO. 5** (Resolution 9)
– PROPOSED ESTABLISHMENT OF A NEW EMPLOYEES' SHARE OPTION SCHEME ("ESOS") OF UP TO FIFTEEN PERCENT (15%) OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY (EXCLUDING TREASURY SHARES) AT ANY POINT IN TIME OVER THE DURATION OF THE ESOS FOR THE ELIGIBLE EMPLOYEES AND DIRECTORS OF THE COMPANY AND ITS SUBSIDIARIES (Please refer to Note 8 (vi))

"**THAT** subject to the approval of all the relevant authorities, including but not limited to, the approval of Bursa Securities for the listing and quotation for the new ordinary shares of the Company to be issued hereunder, the Directors of the Company be and is hereby authorised to:

(i) establish and administer a new ESOS of up to fifteen percent (15%) of the total number of issued shares of the Company (excluding treasury shares) at any point in time over the duration of the ESOS for the eligible employees and directors of the Company and its subsidiaries (**"Proposed ESOS"** or **"Scheme"**), to subscribe for new ordinary shares in the Company (**"CRB Shares"**) at a predetermined price (**"ESOS Options"**), in accordance with the provisions of the by-laws governing the Proposed ESOS (**"By-Laws"**), as set out in Appendix I of the relevant Circular to Shareholders of the Company dated 26 February 2021 (**"Circular"**), the salient terms of which are set out in the Circular, and to give full effect to the Proposed ESOS with full power to assent to any condition, variation, modification and/or amendment as may be deemed fit or expedient and/or imposed/agreed to by the relevant authorities;

(ii) offer and grant ESOS Options under the Proposed ESOS and to allot and issue from time to time such number of new CRB Shares as may be required to be issued pursuant to the exercise of the ESOS Options under the Proposed ESOS provided that the total number of new CRB Shares to be issued under the Proposed ESOS shall not exceed 15% of the total number of issued shares of the Company (excluding treasury shares) at any point in time throughout the duration of the Proposed ESOS and that such new CRB Shares to be issued and/or transferred via treasury shares upon any exercise of the ESOS Options will upon allotment and issuance, rank equally in all respects with existing CRB Shares, except that the new CRB Shares so issued will not be entitled to any dividends, rights, allotments and/or other distributions declared, made or paid, prior to the date of allotment of the new CRB Shares and will be subject to all the provisions of Constitution of the Company relating to the transfer, transmission and otherwise of the CRB Shares;

(iii) do all things necessary and make the necessary application at the appropriate time or times to Bursa Securities for the listing of and quotation for the new CRB Shares which may from time to time be allotted and issued pursuant to the Proposed ESOS;

(iv) modify and/or amend the By-Laws of the Proposed ESOS from time to time provided that such modifications and/or amendments are effected in accordance with the provisions of the By-Laws relating to modifications and/or amendments; and

(v) do all such acts and enter into all transactions, arrangements, agreements, deeds or undertakings and to make rules or regulations, or impose such terms and conditions or delegate part or all of its powers as may be necessary or expedient in order to give full effect to the Proposed ESOS."

Notice of Annual General Meeting

10 **ORDINARY RESOLUTION NO. 7** (Resolution 10)
– PROPOSED GRANT OF ESOS TO TAN SRI RAZALI BIN ISMAIL (Please refer to Note 8 (vii))

"THAT subject to the passing of the Ordinary Resolution No. 6 and the approval of all the authorities, the Directors of the Company be and is hereby authorised, at any time and from time to time during the duration of the Scheme, to offer and to grant to Tan Sri Razali Bin Ismail, the Non-Independent Executive Chairman of the Company, options to subscribe for new CRB Shares under the Proposed ESOS provided that:

(i) he must not participate in the deliberation or discussion of his own allocation of new CRB Shares and the allocations of the persons connected to him to be issued under the Proposed ESOS; and

(ii) not more than 10% of the new CRB Shares which are available under the Scheme are allocated to an Eligible Person (as defined in the By-Laws) who, either singly or collectively through persons connected, holds 20% or more in the total number of issued shares of the Company (excluding treasury shares). The term "person connected" shall have the same meaning as that in the Bursa Securities Main Market Listing Requirements,

and subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-Laws of the Proposed ESOS and any prevailing guidelines issued by Bursa Securities, the Bursa Securities Main Market Listing Requirements or any other relevant authorities as amended from time to time."

11 **ORDINARY RESOLUTION NO. 8** (Resolution 11)
– PROPOSED GRANT OF ESOS TO DATO' DAUD BIN AHMAD (Please refer to Note 8 (viii))

"THAT subject to the passing of the Ordinary Resolution No. 6 and the approval of all the authorities, the Directors of the Company be and is hereby authorised, at any time and from time to time during the duration of the Scheme, to offer and to grant to Dato' Daud Bin Ahmad, the Group Chief Executive Officer/Non-Independent Executive Director of the Company, options to subscribe for new CRB Shares under the Proposed ESOS provided that:

(i) he must not participate in the deliberation or discussion of his own allocation of new CRB Shares and the allocations of the persons connected to him to be issued under the Proposed ESOS; and

(ii) not more than 10% of the new CRB Shares which are available under the Scheme are allocated to an Eligible Person (as defined in the By-Laws) who, either singly or collectively through persons connected, holds 20% or more in the total number of issued shares of the Company (excluding treasury shares). The term "person connected" shall have the same meaning as that in the Bursa Securities Main Market Listing Requirements,

and subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-Laws of the Proposed ESOS and any prevailing guidelines issued by Bursa Securities, the Bursa Securities Main Market Listing Requirements or any other relevant authorities as amended from time to time."

Notice of Annual General Meeting

12 **ORDINARY RESOLUTION NO. 9** (Resolution 12)
– PROPOSED GRANT OF ESOS TO DATO' DR. FREEZAILAH BIN CHE YEOM (Please refer to Note 8 (ix))

"THAT subject to the passing of the Ordinary Resolution No. 6 and the approval of all the authorities, the Directors of the Company be and is hereby authorised, at any time and from time to time during the duration of the Scheme, to offer and to grant to Dato' Dr. Freezailah Bin Che Yeom, the Independent Non-Executive Director of the Company, options to subscribe for new CRB Shares under the Proposed ESOS provided that:

(i) he must not participate in the deliberation or discussion of his own allocation of new CRB Shares and the allocations of the persons connected to him to be issued under the Proposed ESOS; and

(ii) not more than 10% of the new CRB Shares which are available under the Scheme are allocated to an Eligible Person (as defined in the By-Laws) who, either singly or collectively through persons connected, holds 20% or more in the total number of issued shares of the Company (excluding treasury shares). The term "person connected" shall have the same meaning as that in the Bursa Securities Main Market Listing Requirements,

and subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-Laws of the Proposed ESOS and any prevailing guidelines issued by Bursa Securities, the Bursa Securities Main Market Listing Requirements or any other relevant authorities as amended from time to time."

13 **ORDINARY RESOLUTION NO. 10** (Resolution 13)
– PROPOSED GRANT OF ESOS TO DATUK ABDUL MALEK BIN ABDUL AZIZ (Please refer to Note 8 (x))

"THAT subject to the passing of the Ordinary Resolution No. 6 and the approval of all the authorities, the Directors of the Company be and is hereby authorised, at any time and from time to time during the duration of the Scheme, to offer and to grant to Datuk Abdul Malek Bin Abdul Aziz, the Independent Non-Executive Director of the Company, options to subscribe for new CRB Shares under the Proposed ESOS provided that:

(i) he must not participate in the deliberation or discussion of his own allocation of new CRB Shares and the allocations of the persons connected to him to be issued under the Proposed ESOS; and

(ii) not more than 10% of the new CRB Shares which are available under the Scheme are allocated to an Eligible Person (as defined in the By-Laws) who, either singly or collectively through persons connected, holds 20% or more in the total number of issued shares of the Company (excluding treasury shares). The term "person connected" shall have the same meaning as that in the Bursa Securities Main Market Listing Requirements,

and subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-Laws of the Proposed ESOS and any prevailing guidelines issued by Bursa Securities, the Bursa Securities Main Market Listing Requirements or any other relevant authorities as amended from time to time."

Notice of Annual General Meeting

14 **ORDINARY RESOLUTION NO. 11** (Resolution 14)
– PROPOSED GRANT OF ESOS TO ENCIK HEADIR BIN MAHFIDZ (Please refer to Note 8 (xi))

"THAT subject to the passing of the Ordinary Resolution No. 6 and the approval of all the authorities, the Directors of the Company be and is hereby authorised, at any time and from time to time during the duration of the Scheme, to offer and to grant to Encik Headir Bin Mahfidz, the Independent Non-Executive Director of the Company, options to subscribe for new CRB Shares under the Proposed ESOS provided that:

(i) he must not participate in the deliberation or discussion of his own allocation of new CRB Shares and the allocations of the persons connected to him to be issued under the Proposed ESOS; and

(ii) not more than 10% of the new CRB Shares which are available under the Scheme are allocated to an Eligible Person (as defined in the By-Laws) who, either singly or collectively through persons connected, holds 20% or more in the total number of issued shares of the Company (excluding treasury shares). The term "person connected" shall have the same meaning as that in the Bursa Securities Main Market Listing Requirements,

and subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-Laws of the Proposed ESOS and any prevailing guidelines issued by Bursa Securities, the Bursa Securities Main Market Listing Requirements or any other relevant authorities as amended from time to time."

15 **ORDINARY RESOLUTION NO. 12** (Resolution 15)
– PROPOSED GRANT OF ESOS TO ENCIK MEGAT ABDUL MUNIR BIN MEGAT ABDULLAH RAFAIE (Please refer to Note 8 (xii))

"THAT subject to the passing of the Ordinary Resolution No. 6 and the approval of all the authorities, the Directors of the Company be and is hereby authorised, at any time and from time to time during the duration of the Scheme, to offer and to grant to Encik Megat Abdul Munir Bin Megat Abdullah Rafaie, the Independent Non-Executive Director of the Company, options to subscribe for new CRB Shares under the Proposed ESOS provided that:

(i) he must not participate in the deliberation or discussion of his own allocation of new CRB Shares and the allocations of the persons connected to him to be issued under the Proposed ESOS; and

(ii) not more than 10% of the new CRB Shares which are available under the Scheme are allocated to an Eligible Person (as defined in the By-Laws) who, either singly or collectively through persons connected, holds 20% or more in the total number of issued shares of the Company (excluding treasury shares). The term "person connected" shall have the same meaning as that in the Bursa Securities Main Market Listing Requirements,

and subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-Laws of the Proposed ESOS and any prevailing guidelines issued by Bursa Securities, the Bursa Securities Main Market Listing Requirements or any other relevant authorities as amended from time to time."

Notice of Annual General Meeting

16 **ORDINARY RESOLUTION NO. 13** (Resolution 16)
– PROPOSED RENEWAL OF THE AUTHORITY TO ALLOT AND ISSUE NEW ORDINARY SHARES IN CYPARK RESOURCES BERHAD ("CRB" OR "THE COMPANY") ("CRB SHARES"), FOR THE PURPOSE OF THE DIVIDEND REINVESTMENT SCHEME ("DRS") OF THE COMPANY WHICH WILL PROVIDE THE SHAREHOLDERS OF CRB WITH THE OPTION TO ELECT TO REINVEST THEIR CASH DIVIDEND IN CRB SHARES ("PROPOSED RENEWAL OF DRS AUTHORITY") (Please refer to Note 8 (xiii))

"THAT pursuant to the DRS as approved by the Shareholders at the Tenth Annual General Meeting of the Company held on 21 April 2015 and subject to the approval of the relevant regulatory authorities (if any), approval be and is hereby given to the Directors to allot and issue such number of new CRB Shares from time to time as may be required to be allotted and issued pursuant to the DRS until the conclusion of the next Annual General Meeting upon such terms and conditions as stated in Circular to Shareholders dated 30 March 2015, **PROVIDED THAT** the issue price of the said new CRB Shares shall be fixed by the Board of Directors at not more than ten percent (10%) discount to the five (5)-market day volume weighted average market price (**"VWAP"**) of CRB Shares immediately preceding the price-fixing date, of which the VWAP shall be adjusted ex-dividend before applying the said discount in fixing the issue price;

AND THAT the Directors of the Company be and are hereby authorised to do all such acts and enter into all such transactions, arrangements and documents as may be necessary or expedient in order to give full effect to the DRS with full power to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed or agreed to by any relevant authorities or consequent upon the implementation of the said conditions, modifications, variations and/or amendments or at the discretion of the Directors in the best interest of the Company."

17 To transact any other ordinary business of which due notice shall have been given.

By Order of the Board

CHUA SIEW CHUAN (MAICSA 0777689)/SSM PC NO.: 201908002648
YEOW SZE MIN (MAICSA 7065735)/SSM PC NO.: 201908003120
Company Secretaries
Kuala Lumpur

Dated: 26 February 2021

Notice of Annual General Meeting

NOTES:

1. In respect of deposited securities, only members/shareholders whose names appear in the Record of Depositors on 31 March 2021 shall be eligible to participate and vote at the Meeting.

2. A member/shareholder of the Company entitled to participate and vote at the Meeting is entitled to appoint one (1) or more proxies to exercise all or any of his rights to attend, participate, speak and vote in his stead.

   As guided by the Securities Commission's Guidance and FAQs on the Conduct of General Meetings for Listed Issuers, the right to speak is not limited to verbal communication only but includes other modes of expression. Therefore, all members/shareholders and proxies shall communicate with the main/broadcast venue of the Meeting via real time submission of typed texts through a text box within Securities Services e-Portal's platform during the live streaming of the Meeting as the primary mode of communication. In the event of any technical glitch in this primary mode of communication, members/shareholders and proxies may email their questions to eservices@sshsb.com.my during the Meeting. The questions and/or remarks submitted by the members/shareholders and/or proxies will be broadcasted and responded by the Chairman/Board/relevant adviser during the Meeting.

3. A member/shareholder may appoint more than one (1) proxy in relation to the Meeting, provided that the member/shareholder specifies the proportion of the member/shareholder's shareholdings to be represented by each proxy. A proxy may but need not be a member/shareholder of the Company and a member/shareholder may appoint any person to be his proxy without limitation. There shall be no restriction as to the qualification of the proxy.

4. The instrument appointing a proxy shall be in writing under the hand of the member/shareholder/appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under Common Seal or under the hand of an officer or attorney duly authorised.

5. Where a shareholder of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 (**"SICDA"**) which holds ordinary shares in the Company for multiple beneficial owners in one securities account (**"omnibus account"**), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

6. Appointment of proxy and registration for remote participation and voting

   The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarised certified copy of that power or authority, shall be deposited at the Registered Office of the Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan or submitted via fax at 03-2094 9940 and/or 03-2095 0292 or emailed to info@sshsb.com.my, not less than forty-eight (48) hours before the time for holding the Meeting or any adjournment thereof. The proxy appointment may also be lodged electronically via Securities Services e-Portal at https://sshsb.net.my/. The lodging of the Form of Proxy will not preclude any member/shareholder from participating and voting remotely at the Meeting should any member/shareholder subsequently wishes to do so, provided a notice of termination of proxy authority in writing is given to the Company and deposited at the registered office of CRB at Level 7, Menara Milenium, Jalan Damanlela, Damansara Heights, 50490 Kuala Lumpur not less than twenty-four (24) hours before the time stipulated for holding the Meeting or any adjournment thereof. Please contact the poll administrator, SS E Solutions Sdn Bhd, at 03-2084 9000 for further assistance.

   Should you wish to personally participate at the Meeting remotely, please register electronically via Securities Services e-Portal at https://sshsb.net.my/.

   Please refer to the Administrative Guide on the Conduct of a Fully Virtual General Meeting as attached together with this Notice for further details.

Notice of Annual General Meeting

7. This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Act does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

8. Explanatory Note to Special Business:

   (i) **Resolution 4 – Retention of Dato' Dr. Freezailah Bin Che Yeom as an Independent Director**

   Dato' Dr. Freezailah Bin Che Yeom (**"Dato' Dr. Freezailah"**) was appointed as an Independent Director of the Company on 8 June 2010 and has served the Board for a cumulative term of more than nine years since 8 June 2010. The Board of Directors of the Company through its Nomination Committee, after having assessed the independence of Dato' Dr. Freezailah, still regards him to be independent based amongst others, the following justifications, and recommends that Dato' Dr. Freezailah be retained as an Independent Director of the Company subject to the approval from the shareholders of the Company pursuant to Practice 4.2 of the Malaysian Code on Corporate Governance:

   (a) Dato' Dr. Freezailah has fulfilled the definition of an independent director as set out under Paragraph 1.01 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements:
   - is not an executive director of the Company or any related corporation (each corporation is referred to as **"said Corporation"**);
   - has not been within the last 2 years and is not an officer (except as a non-executive director) of the said Corporation. [**"officer"** has the meaning given in section 2 of the Companies Act 2016];
   - is not a major shareholder of the said Corporation;
   - is not a family member of any executive director, officer or major shareholder of the said Corporation;
   - is not acting as a nominee or representative of any executive director or major shareholder of the said Corporation;
   - has not been engaged as an adviser by the said Corporation under such circumstances as prescribed by Bursa Malaysia Securities Berhad (**"the Exchange"**) or is not presently a partner, director (except as an independent director) or major shareholder, as the case may be, of a firm or corporation which provides professional advisory services to the said Corporation under such circumstances as prescribed by the Exchange; or has not engaged in any transaction with the said Corporation under such circumstances as prescribed by the Exchange or is not presently a partner, director or major shareholder, as the case may be, of a firm or corporation (other than subsidiaries of the applicant or listed issuer) which has engaged in any transaction with the said Corporation under such circumstances as prescribed by the Exchange;
   - is not a director who is accepting compensation from the said Corporation, other than compensation for board service for the current or immediate financial year; or
   - is not having a relationship which would interfere with the exercise of independent judgement in carrying out the functions as a director or a member of the Audit Committee, Nomination Committee and Remuneration Committee.

   (b) Dato' Dr. Freezailah has not been involved in any business or other relationship which could hinder the exercise of independent judgement, objectivity or his ability to act in the best interests of the Company;

   (c) Dato' Dr. Freezailah has no potential conflict of interest, whether business or non-business related with the Company;

   (d) Dato' Dr. Freezailah has not established or maintained any significant personal or social relationship, whether direct or indirect, with the Executive Chairman, Group Chief Executive Officer, major shareholders or management of the Company (including their family members) other than normal engagements and interactions on a professional level consistent with his duties and expected of him to carry out his duties as an independent director; and

   (e) Dato' Dr. Freezailah does not derive any remuneration and other benefits apart from Directors' fees that are approved by shareholders.

Notice of Annual General Meeting

(ii) **Resolution 5 – Retention of Encik Headir Bin Mahfidz as an Independent Director**

Encik Headir Bin Mahfidz (**"Encik Headir"**) was appointed as an Independent Director of the Company on 7 September 2010 and has served the Board for a cumulative term of more than nine years since 7 September 2010. The Board of Directors of the Company through its Nomination Committee, after having assessed the independence of Encik Headir, still regards him to be independent based amongst others, the following justifications, and recommends that Encik Headir be retained as an Independent Director of the Company subject to the approval from the shareholders of the Company pursuant to Practice 4.2 of the Malaysian Code on Corporate Governance:

(a) Encik Headir has fulfilled the definition of an independent director as set out under Paragraph 1.01 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements:

- is not an executive director of the Company or any related corporation (each corporation is referred to as **"said Corporation"**);
- has not been within the last 2 years and is not an officer (except as a non-executive director) of the said Corporation. [**"officer**" has the meaning given in section 2 of the Companies Act 2016];
- is not a major shareholder of the said Corporation;
- is not a family member of any executive director, officer or major shareholder of the said Corporation;
- is not acting as a nominee or representative of any executive director or major shareholder of the said Corporation;
- has not been engaged as an adviser by the said Corporation under such circumstances as prescribed by Bursa Malaysia Securities Berhad (**"the Exchange"**) or is not presently a partner, director (except as an independent director) or major shareholder, as the case may be, of a firm or corporation which provides professional advisory services to the said Corporation under such circumstances as prescribed by the Exchange; or has not engaged in any transaction with the said Corporation under such circumstances as prescribed by the Exchange or is not presently a partner, director or major shareholder, as the case may be, of a firm or corporation (other than subsidiaries of the applicant or listed issuer) which has engaged in any transaction with the said Corporation under such circumstances as prescribed by the Exchange;
- is not a director who is accepting compensation from the said Corporation, other than compensation for board service for the current or immediate financial year; or
- is not having a relationship which would interfere with the exercise of independent judgement in carrying out the functions as a director or a member of the Audit Committee, Nomination Committee and Risk Management Committee.

(b) Encik Headir has not been involved in any business or other relationship which could hinder the exercise of independent judgement, objectivity or his ability to act in the best interests of the Company;

(c) Encik Headir has no potential conflict of interest, whether business or non-business related with the Company;

(d) Encik Headir has not established or maintained any significant personal or social relationship, whether direct or indirect, with the Executive Chairman, Group Chief Executive Officer, major shareholders or management of the Company (including their family members) other than normal engagements and interactions on a professional level consistent with his duties and expected of him to carry out his duties as an independent director; and

(e) Encik Headir does not derive any remuneration and other benefits apart from Directors' fees that are approved by shareholders.

Notice of Annual General Meeting

(iii) **Resolution 6 – Proposed Shareholder Mandate**

The proposed Resolution 6 is intended to enable the Company and/or its subsidiaries (**"the Group"**) to enter into recurrent related party transactions or a revenue or trading nature which are necessary for the Group's day-to-day operations to facilitate transactions in the normal course of business of the Group with the specified classes of related parties, provided that they are carried out on an arms' length basis and on normal commercial terms and are not prejudicial to the shareholders on terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

Please refer to the Circular/Statement to Shareholders dated 26 February 2021 for further information.

(iv) **Resolution 7 – Proposed Authority for the Company to Purchase Its Own Shares**

The proposed Resolution 7 is intended to allow the Company to purchase its own shares up to 10% of the total number of issued shares in the ordinary share capital of the Company at any time within the time period stipulated in the Bursa Malaysia Securities Berhad Main Market Listing Requirements.

Please refer to the Circular/Statement to Shareholders dated 26 February 2021 for further information.

(v) **Resolution 8 – Authority to Issue Shares**

The proposed Resolution 8 is intended to renew the authority granted to the Directors of the Company at the Postponed Fifteenth Annual General Meeting of the Company held on 18 June 2020 (**"Previous Mandate"**) to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of the shares issued does not exceed 20% of the total number of issued shares of the Company for the time being (hereinafter referred to as the **"20% General Mandate"**).

As part of the initiative from Bursa Malaysia Securities Berhad (**"Bursa Securities"**) to aid and facilitate listed issuers in sustaining their business or easing their compliance with Bursa Securities' rules, amid the unprecedented uncertainty surrounding the recovery of the COVID-19 outbreak and Movement Control Order imposed by the Government, Bursa Securities had vide Bursa Malaysia Berhad's letter dated 16 April 2020 allow a listed issuer to seek a higher general mandate under Paragraph 6.03 of the Main Market Listing Requirements of Bursa Securities of not more than 20% of the total number of issued shares (excluding treasury shares) for the general issue of new securities.

The said 20% General Mandate will provide flexibility to the Company to raise additional funds expeditiously and efficiently during this challenging time, to meet its funding requirements including but not limited to working capital, operational expenditures, investment project(s), and/or acquisition(s).

The Board, having considered the current and prospective financial position, needs and capacity of the Group, is of the opinion that the General Mandate is in the best interests of the Company and its shareholders.

The Previous Mandate granted by the shareholders at the Postponed Fifteenth Annual General Meeting of the Company had not been utilised and hence no proceed was raised therefrom.

Notice of Annual General Meeting

(vi) **Resolution 9 – Proposed ESOS**

The proposed Resolution 9 is intended to establish a new ESOS to replace the existing ESOS upon its expiration on 18 October 2021.

The Proposed ESOS is established primarily to achieve the following objectives:

(i) to recognise and reward the eligible person(s) by giving recognition to their contributions and services that are considered vital to the operations, hence motivating employee performance to create sustainable growth and profitability for the Company and its subsidiaries;

(ii) to motivate, retain and reward eligible person(s) who, upon exercising their new ESOS Options, would be given the opportunity to participate in the equity of the Company and thereby relate their contribution directly to the performance of the Company and its subsidiaries; and

(iii) to attract prospective skilled and experienced employees to the Company and its subsidiaries.

The Proposed ESOS is also extended to Non-Executive Directors of the Company in recognition of their contribution to the Company and to enable them to participate in the Company's future growth.

Please refer to the relevant Circular to Shareholders dated 26 February 2021 for further information.

(vii) **Resolution 10 – Proposed Grant of ESOS to Tan Sri Razali Bin Ismail**

The proposed Resolution 10 is intended to seek the approval of the shareholders of the Company, in accordance with the By-Laws, for the Option Committee to offer and grant to Tan Sri Razali Bin Ismail, the Non-Independent Executive Chairman of the Company, options to subscribe for new CRB Shares under the Proposed ESOS, subject always to the terms and conditions and/or adjustment which may be made in accordance with the By-Laws.

(viii) **Resolution 11 – Proposed Grant of ESOS to Dato' Daud Bin Ahmad**

The proposed Resolution 11 is intended to seek the approval of the shareholders of the Company, in accordance with the By-Laws, for the Option Committee to offer and grant to Dato' Daud Bin Ahmad, the Chief Executive Officer/ Non-Independent Executive Director of the Company, options to subscribe for new CRB Shares under the Proposed ESOS, subject always to the terms and conditions and/or adjustment which may be made in accordance with the By-Laws.

(ix) **Resolution 12 – Proposed Grant of ESOS to Dato' Dr. Freezailah Bin Che Yeom**

The proposed Resolution 12 is intended to seek the approval of the shareholders of the Company, in accordance with the By-Laws, for the Option Committee to offer and grant to Dato' Dr. Freezailah Bin Che Yeom, the Independent Non-Executive Director of the Company, options to subscribe for new CRB Shares under the Proposed ESOS, subject always to the terms and conditions and/or adjustment which may be made in accordance with the By-Laws.

(x) **Resolution 13 – Proposed Grant of ESOS to Datuk Abdul Malek Bin Abdul Aziz**

The proposed Resolution 13 is intended to seeks the approval of the shareholders of the Company, in accordance with the By-Laws, for the Option Committee to offer and grant to Datuk Abdul Malek Bin Abdul Aziz, the Independent Non-Executive Director of the Company, options to subscribe new CRB Shares under the Proposed ESOS, subject always to the terms and conditions and/or adjustment which may be made in accordance with the By-Laws.

(xi) **Resolution 14 – Proposed Grant of ESOS to Encik Headir Bin Mahfidz**

The proposed Resolution 14 is intended to seek the approval of the shareholders of the Company, in accordance with the By-Laws, for the Option Committee to offer and grant to Encik Headir Bin Mahfidz, the Independent Non-Executive Director of the Company, options to subscribe for new CRB Shares under the Proposed ESOS, subject always to the terms and conditions and/or adjustment which may be made in accordance with the By-Laws.

Notice of Annual General Meeting

(xii) **Resolution 15 – Proposed Grant of ESOS to Encik Megat Abdul Munir Bin Megat Abdullah Rafaie**

The proposed Resolution 15 is intended to seek the approval of the shareholders of the Company, in accordance with the By-Laws, for the Option Committee to offer and grant to Encik Megat Abdul Munir Bin Megat Abdullah Rafaie, the Independent Non-Executive Director of the Company, options to subscribe for new CRB Shares under the Proposed ESOS, subject always to the terms and conditions and/or adjustment which may be made in accordance with the By-Laws.

(xiii) **Resolution 16 – Proposed Renewal of DRS Authority**

The proposed Resolution 16, if approved, will give authority to the Directors to allot and issue new CRB Shares under the DRS, until the conclusion of the next Annual General Meeting. A renewal of this authority will be sought at subsequent Annual General Meetings.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, participate, speak and vote at the 16th AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the **"Purposes"**), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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Form of Proxy

CYPARK RESOURCES BERHAD
[Registration No. 200401004491 (642994-H)]
(Incorporated in Malaysia)

CDS Account No.	Mobile/contact number

*I/We (full name), ____

bearing *NRIC No./Passport No./Company No. ____

of (full address) ____

being a *member/members of Cypark Resources Berhad (**"the Company"**) hereby appoint:

First Proxy "A"

Full Name (in Block)	NRIC/ Passport No.	Proportion of Shareholdings	
			%

Second Proxy "B"

Full Name (in Block)	NRIC/ Passport No.	Proportion of Shareholdings	
			%

to put on a separate sheet where there are more than two (2) proxies

or failing *him/her, the *Chairman of the Meeting as *my/our proxy to vote for *me/us and on *my/our behalf at the Sixteenth Annual General Meeting of the Company to be held on a fully virtual basis at the broadcast venue, which is the main venue of the 16th AGM, at Securities Services (Holdings) Sdn. Bhd., Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan on 8 April 2021 at 10:00 a.m. and at any adjournment thereof.

Please indicate with an "X" in the spaces provided below as to how you wish your votes to be casted. If no specific direction as to voting is given, the proxy will vote or abstain from voting at *his/her discretion.

Item	Agenda	Resolution	For	Against
1.	To receive the Audited Financial Statements for the financial year ended 31 October 2020 together with the Reports of the Directors and the Auditors thereon.			
2.	To approve the payment of Directors' fees for the financial year ending 31 October 2021 and thereafter.	1		
3(a).	To re-elect Tan Sri Razali Bin Ismail, who is due to retire in accordance with Clause 119 of the Company's Constitution and being eligible, has offered himself for re-election.	2		
3(b).	To re-elect Encik Megat Abdul Munir Bin Megat Abdullah Rafaie., who is due to retire in accordance with Clause 119 of the Company's Constitution and being eligible, has offered himself for re-election.	3		
Special Business				
4.	To retain Dato' Dr. Freezailah Bin Che Yeom as an Independent Director of the Company.	4		
5.	To retain Encik Headir bin Mahfidz as an Independent Director of the Company.	5		
6.	Proposed Renewal of Existing Shareholder Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.	6		
7.	Proposed Renewal of Authority for Share Buy-Back.	7		
8.	Authority to Issue Shares pursuant to the Companies Act 2016.	8		
9.	Proposed Establishment of a new Employees' Share Option Scheme (**"ESOS"**).	9		
10.	Proposed Grant of ESOS to Tan Sri Razali Bin Ismail.	10		
11.	Proposed Grant of ESOS to Dato' Daud Bin Ahmad.	11		
12.	Proposed Grant of ESOS to Dato' Dr. Freezailah Bin Che Yeom.	12		
13.	Proposed Grant of ESOS to Datuk Abdul Malek Bin Abdul Aziz.	13		
14.	Proposed Grant of ESOS to Encik Headir Bin Mahfidz.	14		
15.	Proposed Grant of ESOS to Encik Megat Abdul Munir Bin Megat Abdullah Rafaie.	15		
16.	Proposed Renewal of Authority to Issue Shares pursuant to the Dividend Reinvestment Scheme.	16		

As witness my/our hand(s) this day ___________ of __________, 2021.

____
*Signature/Common Seal of Member

* *Strike out whichever not applicable*

Notes:

1. In respect of deposited securities, only members/shareholders whose names appear in the Record of Depositors on 31 March 2021 shall be eligible to participate and vote at the Meeting.
2. A member/shareholder of the Company entitled to participate and vote at the Meeting is entitled to appoint one (1) or more proxies to exercise all or any of his rights to attend, participate, speak and vote in his stead.

   As guided by the Securities Commission's Guidance and FAQs on the Conduct of General Meetings for Listed Issuers, the right to speak is not limited to verbal communication only but includes other modes of expression. Therefore, all members/shareholders and proxies shall communicate with the main/broadcast venue of the Meeting via real time submission of typed texts through a text box within Securities Services e-Portal's platform during the live streaming of the Meeting as the primary mode of communication. In the event of any technical glitch in this primary mode of communication, members/shareholders and proxies may email their questions to eservices@sshsb.com.my during the Meeting. The questions and/or remarks submitted by the members/shareholders and/or proxies will be broadcasted and responded by the Chairman/Board/relevant adviser during the Meeting.
3. A member/shareholder may appoint more than one (1) proxy in relation to the Meeting, provided that the member/shareholder specifies the proportion of the member/shareholder's shareholdings to be represented by each proxy. A proxy may but need not be a member/shareholder of the Company and a member/shareholder may appoint any person to be his proxy without limitation. There shall be no restriction as to the qualification of the proxy.
4. The instrument appointing a proxy shall be in writing under the hand of the member/shareholder/appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under Common Seal or under the hand of an officer or attorney duly authorised.
5. Where a shareholder of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 (**"SICDA"**) which holds ordinary shares in the Company for multiple beneficial owners in one securities account (**"omnibus account"**), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
6. Appointment of proxy and registration for remote participation and voting
   The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarised certified copy of that power or authority, shall be deposited at the Registered Office of the Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan or submitted via fax at 03-2094 9940 and/or 03-2095 0292 or emailed to info@sshsb.com.my, not less than forty-eight (48) hours before the time for holding the Meeting or any adjournment thereof. The proxy appointment may also be lodged electronically via Securities Services e-Portal at https://sshsb.net.my/. The lodging of the Form of Proxy will not preclude any member/shareholder from participating and voting remotely at the Meeting should any member/shareholder subsequently wishes to do so, provided a notice of termination of proxy authority in writing is given to the Company and deposited at the registered office of CRB at Level 7, Menara Milenium, Jalan Damanlela, Damansara Heights, 50490 Kuala Lumpur not less than twenty-four (24) hours before the time stipulated for holding the Meeting or any adjournment thereof. Please contact the poll administrator, SS E Solutions Sdn Bhd, at 03-2084 9000 for further assistance.

   Should you wish to personally participate at the Meeting remotely, please register electronically via Securities Services e-Portal at https://sshsb.net.my/.

   Please refer to the **Administrative Guide** on the Conduct of a Fully Virtual General Meeting for further details.

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STAMP

The Company Secretary
CYPARK RESOURCES BERHAD
[200401004491 (642994-H)]

Securities Services (Holdings) Sdn Bhd
[197701005827 (36869-T)]

Level 7, Menara Milenium, Jalan Damanlela
Pusat Bandar Damansara, Damansara Heights
50490 Kuala Lumpur

FOLD HERE

Cypark

CYPARK RESOURCES BERHAD
[200401004491 (642994-H)]

Unit 13A-09, Block A, Phileo Damansara II,
No.15, Jalan 16/11, 46350 Petaling Jaya, Selangor,
Malaysia.

T +603 7660 6170
F +603 7660 6169
E info@crbenv.com

www.crbenv.com

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