

Unaudited Condensed Consolidated Statements of Comprehensive Income
For the First Quarter ended 31 January 2022

	Individual Quarter			Cumulative Period		
	Current Year	Preceding Year	Changes	Current Year	Preceding Year	Changes
	Quarter	Quarter		To Date	To Date	
	31 Jan 2022	31 Jan 2021	%	31 Jan 2022	31 Jan 2021	%
	RM	RM		RM	RM	
Revenue	77,202,543	76,479,214	0.9%	77,202,543	76,479,214	0.9%
Cost of sales	(53,167,752)	(53,139,199)	0.1%	(53,167,752)	(53,139,199)	0.1%
Gross profit	24,034,791	23,340,015	3.0%	24,034,791	23,340,015	3.0%
Other income	631,712	928,054	-31.9%	631,712	928,054	-31.9%
Administrative expenses	(2,454,412)	(2,087,666)	17.6%	(2,454,412)	(2,087,666)	17.6%
Operating profit	22,212,091	22,180,403	0.1%	22,212,091	22,180,403	0.1%
Finance costs	(1,686,385)	(1,676,427)	0.6%	(1,686,385)	(1,676,427)	0.6%
Share of results of an associate	48,604	(109,991)	-144.2%	48,604	(109,991)	-144.2%
Profit before tax	20,574,310	20,393,985	0.9%	20,574,310	20,393,985	0.9%
Tax expense	(5,042,346)	(5,488,916)	-8.1%	(5,042,346)	(5,488,916)	-8.1%
Profit for the year	15,531,964	14,905,069	4.2%	15,531,964	14,905,069	4.2%
Other comprehensive income net of tax	-	-		-	-	
Total comprehensive income for the year	15,531,964	14,905,069	4.2%	15,531,964	14,905,069	4.2%
Total comprehensive income attributable to:-						
- Owners of the Company	15,816,462	14,982,846	5.6%	15,816,462	14,982,846	5.6%
- Non-controlling interest	(284,498)	(77,777)		(284,498)	(77,777)	
	15,531,964	14,905,069	4.2%	15,531,964	14,905,069	4.2%
Earnings per share for profit attributable						
to the owners of the Company (sen per share)						
- Basic	2.14	2.64		2.14	2.64	
- Diluted	2.13	2.62		2.13	2.62	

Note:

- The Unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 October 2021 and the accompanying notes attached to the unaudited interim financial statements.

Unaudited Condensed Consolidated Statements of Financial Position As at 31 January 2022

	Unaudited As At 31 Jan 2022	Audited As At 31 Oct 2021
	RM	RM
Assets		
Non-current assets		
Plant and equipment	524,324,635	484,485,374
Right-of-use assets	37,477,095	5,945,864
Intangible assets	921,716,208	916,048,638
Investment in an associate	3,321,828	3,273,225
Other Investment	8,000,000	8,000,000
Deferred tax assets	12,205,847	10,210,299
Trade receivables	2,405,927	2,405,927
	<u>1,509,451,540</u>	<u>1,430,369,326</u>
Current assets		
Trade and other receivables	219,354,218	192,887,653
Contract assets	844,679,210	826,298,217
Tax assets	2,084,475	1,793,437
Deposits, cash and bank balances	244,711,974	298,457,404
	<u>1,310,829,877</u>	<u>1,319,436,711</u>
Total assets	<u>2,820,281,417</u>	<u>2,749,806,037</u>
Equity and liabilities		
Current liabilities		
Loans and borrowings	252,463,017	256,971,622
Lease liabilities	993,142	645,000
Trade and other payables	82,570,227	120,815,674
Tax payable	7,106,564	7,825,648
	<u>343,132,951</u>	<u>386,257,944</u>
Net current assets	<u>967,696,926</u>	<u>933,178,767</u>
Non-current liabilities		
Loans and borrowings	1,146,215,725	1,099,486,192
Lease liabilities	37,340,157	5,882,450
Trade payables	43,147,739	42,689,759
Deferred tax liabilities	27,000,060	24,955,240
	<u>1,253,703,680</u>	<u>1,173,013,641</u>
Total liabilities	<u>1,596,836,631</u>	<u>1,559,271,585</u>
Net assets	<u>1,223,444,786</u>	<u>1,190,534,452</u>
Equity		
Share capital	514,382,528	496,904,153
Reverse acquisition reserve	(36,700,000)	(36,700,000)
Employee share option reserve	2,337,594	2,337,594
Treasury Shares	(5,790,060)	(5,790,060)
Retained earnings	535,768,927	523,410,216
Perpetual Sukuk	212,252,608	208,894,862
Non-controlling interests	1,193,189	1,477,687
Total Equity	<u>1,223,444,786</u>	<u>1,190,534,452</u>
Total equity and liabilities	<u>2,820,281,417</u>	<u>2,749,806,037</u>
Net assets per share attributable to owners of the Company (RM)	2.08	2.09

Note:

- The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 October 2021 and the accompanying notes attached to the unaudited interim financial statements.

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Statements of Changes in Equity for the First Quarter ended 31 January 2022

	← Attributable to owners of the Company →					→				
	← Non-distributable →			Distributable						
	Share capital RM	Treasury Shares RM	Share option reserve RM	Reverse acquisition reserve RM	Retained earnings RM	Total RM	Perpetual Sukuk RM	Non-controlling interests RM	Equity Total RM	
2022										
Group										
Opening balance at 1 November 2021	496,904,153	(5,790,060)	2,337,594	(36,700,000)	523,410,216	980,161,903	208,894,862	1,477,687	950,536,063	
Total comprehensive income	-	-	-	-	15,816,462	15,816,462	-	(284,498)	15,531,964	
Issuance of Perpetual Sukuk (net of Expenses)	-	-	-	-	-	-	(72,295)	-	(72,295)	
Transactions with owners										
Issue of ordinary shares via:-										
- Private Placements	17,478,376	-	-	-	-	17,478,376	-	-	17,478,376	
Share issuance expenses	-	-	-	-	(27,710)	(27,710)	-	-	(27,710)	
Distribution to Perpetual Sukuk Holders	-	-	-	-	(3,430,041)	(3,430,041)	3,430,041	-	-	
Total transactions with owners	17,478,376	-	-	-	(3,457,751)	14,020,625	3,430,041	-	17,450,666	
Closing balance at 31 January 2022	514,382,529	(5,790,060)	2,337,594	(36,700,000)	535,768,927	1,009,998,990	212,252,608	1,193,190	1,223,444,787	
2021										
Group										
Opening balance at 1 November 2020	409,542,780	(5,790,060)	3,010,955	(36,700,000)	460,609,870	830,673,545	118,470,131	1,392,387	950,536,063	
Total comprehensive income	-	-	-	-	14,982,846	14,982,846	-	(77,777)	14,905,069	
Non-controlling interest arising acquisition of subsidiary	-	-	-	-	-	-	-	-	-	
Issuance of Perpetual Sukuk (net of Expenses)	-	-	-	-	-	-	45,232,461	-	45,232,461	
Transactions with owners										
Issue of ordinary shares via:-										
Issuance of ESOS	-	-	269,395	-	-	269,395	-	-	269,395	
Exercise of employee share options	5,206,570	-	(645,063)	-	-	4,561,507	-	-	4,561,507	
Distribution to Perpetual Sukuk Holders	-	-	-	-	(2,415,793)	(2,415,793)	2,415,793	-	-	
Total transactions with owners	5,206,570	-	(375,668)	-	(2,415,793)	2,415,109	2,415,793	-	4,830,902	
Closing balance at 31 January 2021	414,749,350	(5,790,060)	2,635,287	(36,700,000)	473,176,923	848,071,500	166,118,385	1,314,610	1,015,504,495	

Note: The Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 October 2021 and the accompanying notes attached to the unaudited interim financial statements.

Unaudited Condensed Consolidated Statements of Cash Flows
For the First Quarter ended 31 January 2022

	3 months ended	
	31 Jan 2022 RM	31 Jan 2021 RM Restated
Cash flows from operating activities		
Profit before tax	20,574,310	20,393,985
Adjustments for:		
Depreciation of plant and equipment	2,176,625	2,007,834
Share of results in associated company	(48,604)	109,991
Unrealised foreign exchange gain	(2,153)	(1,599)
Issuance of ESOS	-	269,395
Depreciation of right-of-use assets	196,130	223,715
Amortisation of intangible assets	909,919	909,919
Finance income - other liabilities at amortised costs	-	(27,203)
Interest expense	9,463,800	9,432,418
Interest income	(618,703)	(735,053)
Operating cash flows before changes in working capital	<u>32,651,325</u>	<u>32,583,402</u>
Changes in working capital:		
Trade and other receivables	(26,067,865)	30,722,076
Contract assets	(18,380,993)	(58,600,741)
Trade and other payables	<u>(37,785,314)</u>	<u>(9,551,186)</u>
Cash flows used in operations	(49,582,846)	(4,846,450)
Tax paid	<u>(6,003,196)</u>	<u>(7,634,659)</u>
Net cash flows used in operating activities *	<u>(55,586,043)</u>	<u>(12,481,109)</u>
Cash flows from investing activities		
Additions to intangible assets	(6,577,489)	(9,829,568)
Plant and equipment	(41,382,520)	(38,066,549)
Additions to right-of-use assets	(398,700)	(14,804)
Interest received	618,703	735,053
Net cash flows used in investing activities	<u>(47,740,006)</u>	<u>(47,175,868)</u>

Unaudited Condensed Consolidated Statements of Cash Flows
For the Fourth Quarter ended 31 October 2021 (continued)

	3 months ended	
	31 Jan 2022 RM	31 Jan 2021 RM Restated
Cash flows from financing activities *		
Proceeds from issuance of ordinary shares		
- Private placement	17,478,376	-
- ESOS	-	4,561,508
Share issuance expense	(27,710)	-
Perpetual sukuk - net of expenses	(72,295)	45,232,461
Payment of lease liabilities	(653,288)	(265,421)
Revolving credit, net	9,678,526	27,626,454
Short term borrowings, net	(14,230,578)	(52,943,670)
Term loans, net	46,390,807	32,368,540
Interest paid	(9,026,667)	(8,825,381)
Net cash flows generated from financing activities	<u>49,537,171</u>	<u>47,754,491</u>
Net decrease in cash and cash equivalents	(53,788,878)	(11,902,486)
Cash and cash equivalents at beginning of financial year	<u>295,423,761</u>	<u>354,311,220</u>
Cash and cash equivalents at end of financial year	<u>241,634,883</u>	<u>342,408,734</u>

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

Short term deposits with licensed banks	187,209,834	258,495,326
Cash at banks and in hand	57,502,140	84,058,672
Cash and bank balances	<u>244,711,974</u>	<u>342,553,998</u>
Less: Bank overdrafts	(3,077,091)	(145,264)
	<u>241,634,883</u>	<u>342,408,734</u>

Notes:

- * In accordance with MFRS 107 Statement of Cash Flows, the below additional information is relevant to users in understanding the liquidity of the Group.

Contract assets of the Group include unbilled work performed of a wholly-owned subsidiary of the Company, for three solar photovoltaic power plant projects, which involve special financing arrangement and are payable on deferred payment arrangement over the next 22 years upon completion of the projects. These projects are financed by Islamic medium-term notes issued pursuant to Sri Sukuk Murabahah Programme ("Sukuk") of RM550.0 million in nominal value. The proceeds of RM550.0 million were received during the financial year ended 31 October 2019.

The effect of the utilisation of the proceeds from Sukuk against the Group's net cash used in operating activities is as follows:

	31 Jan 2022 RM	31-Jan-21 RM
Net cash used in operating activities	(55,586,043)	(12,481,109)
Less:		
- utilisation of Sukuk proceeds	<u>24,092,847</u>	<u>21,437,767</u>
	<u>(31,493,196)</u>	<u>8,956,659</u>

- (1) The Unaudited Condensed Consolidated Statements of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 October 2021 and the accompanying notes attached to the unaudited interim financial statements.

NOTES TO THE INTERIM FINANCIAL REPORT

PART A: EXPLANATORY NOTES IN COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING

A1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with *MFRS 134: Interim Financial Reporting*, issued by Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 October 2020. The explanatory notes attached to these interim financial statements provide an explanation of events and transactions that are significant to understand the changes in the financial position and performance of the Group since the financial year ended 31 October 2021.

A2. Changes in accounting policies

The significant accounting policies and computation methods are consistent with those adopted for the year ended 31 October 2020, except for the adoption of the following new MFRS and Issue Committee Interpretations (“IC Interpretations”) issued by the Malaysian Accounting Standards Board (“MASB”):

MFRSs, Amendments to MFRSs and IC Interpretation		Effective for annual period beginning on or after
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)	Interest Rate Benchmark Reform – Phase 2	<i>1 January 2021</i>
Amendments to MFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021	<i>1 April 2021</i>

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

A2. Changes in accounting policies – cont'd

At the date of authorisation of these interim financial statements, the Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments) that have been issued by the MASB but not yet effective:-

MFRSs, Amendments to MFRSs and IC Interpretation		Effective for annual period beginning on or after
Amendments to MFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 1, 9 and 141	Annual Improvements to MFRS Standards 2018-2020	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
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2023
MFRS 17, amendments to MFRS 17 and Initial Application of MFRS 17 and MFRS 9- Comparative Information (Amendment to MFRS 17 Insurance Contracts)	Insurance Contracts	1 January 2023
Amendments to MFRS 101 & MFRS 108	Disclosure of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 and MFRS 128	Sales or Contribution of Assets between and Investor and its Associate or Joint Venture	<i>Deferred</i>

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

A3. Auditors' report on preceding annual financial statements

There were no audit qualifications to the audited financial statements of the Company and its subsidiaries for the financial year ended 31 October 2021.

A4. Seasonal or cyclical factors

The business operations of the Group were not significantly affected by any seasonal or cyclical factor.

A5. Items of unusual nature

There were no significant unusual items affecting the assets, liabilities, equity, net income or cash flow during the current financial quarter.

A6. Changes in estimates

There were no changes in estimates of amounts reported in prior financial years that have had a material effect in the current financial quarter.

A7. Changes in debt and equity securities

Save as disclosed below, there were no issuance, cancellation, repurchase, resale, and repayment of debt and equity securities for the current financial quarter:-

Perpetual Sukuk Musharakah

As of the latest practicable date, on cumulative basis, CRE had issued a total of RM209.6 million of unrated Perpetual Sukuk Musharakah under the Programme. The Programme allows for the issuance of Perpetual Sukuk Musharakah from time to time, with flexibility for CRE to issue secured/unsecured Perpetual Sukuk Musharakah subject to the aggregate outstanding nominal amount not exceeding RM500.0 million at any point in time. 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.

A8. Dividends paid

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

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A9. Segmental Information

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

	Renewable Energy RM	Construction & Engineering RM	Green Tech & Environmental Services RM	Waste Management & Waste-To-Energy RM	Elimination RM	Total RM
3 months ended 31 Jan 2022						
Revenue						
Sale to external customers	66,265,334	4,513,821	911,412	5,511,976	-	77,202,543
Inter-segment sales	82,832,925	17,835,272	820,271	-	(101,488,468)	-
Total revenue	<u>149,098,260</u>	<u>22,349,094</u>	<u>1,731,683</u>	<u>5,511,976</u>	<u>(101,488,468)</u>	<u>77,202,543</u>
Results						
Profit before tax	17,484,366	987,068	246,319	1,856,556	-	20,574,310
Income tax expense						(5,042,346)
Profit net of tax						<u>15,531,964</u>
3 months ended 31 Jan 2021						
Revenue						
Sale to external customers	64,725,242	4,594,081	1,086,657	6,073,234	-	76,479,214
Inter-segment sales	107,999,297	18,234,100	977,991	-	(127,211,388)	-
Total revenue	<u>172,724,539</u>	<u>22,828,181</u>	<u>2,064,648</u>	<u>6,073,234</u>	<u>(127,211,388)</u>	<u>76,479,214</u>
Results						
Profit before tax	17,060,300	1,061,166	308,429	1,964,090	-	20,393,985
Income tax expense						(5,488,916)
Profit net of tax						<u>14,905,069</u>

A10. Valuation of property, plant and equipment

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

A11. Capital commitments

Except as disclosed below, there was no capital commitment as at 31 January 2022:-

	RM
Capital expenditure	
Approved and contracted for:-	
- Intangible assets	1,024,000
- Plant and equipment	<u>111,240,000</u>

A12. Material events subsequent to the end of the year

There were no material events subsequent to the end of the current financial quarter up to 24 March 2022, being the latest practicable date ("LPD") which is not earlier than 7 days from the date of issuance of this quarterly report, that have not been reflected in this quarterly report.

A13. Changes in composition of the group

There were no material changes in the composition of the Group during the current financial year under review.

A14. Contingent liabilities

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

	31-Jan-22
	RM
Secured:	
- Performance bond/tender bond guarantees favouring Government/ Statutory bodies for various projects	6,807,338
- Bank guarantees extended to Government Bodies/Companies for various projects	191,786,273
- Bank guarantees extended to third parties in respect various projects of the Group	1,964,867
- Letter of credits given to suppliers for purchase of materials	7,138,096
	<u>207,696,574</u>
Unsecured:	
- Corporate guarantees given to banks for credit facilities granted to subsidiaries	1,375,520,000
	<u>1,375,520,000</u>
TOTAL	<u>1,583,216,574</u>

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

A15. Significant related party transactions

The Group had the following transactions during the current financial quarter with related parties in which certain directors of the Company have substantial financial interest:-

Related Party	Interested Promoter / Director / Substantial Shareholder / Key Management	Nature of Transactions	Transaction value based on billings for current quarter RM	Transaction value based on billings year to date RM	Balance Outstanding as at 31 January 2022 RM
CyEn Resources Sdn Bhd	Dato' Daud bin Ahmad, Tan Sri Razali bin Ismail and Tan Swee Loon	Sub-contractor charges and consulting fees paid for environmental / landscape works	3,892,721	3,892,721	1,330,940

B1. Analysis of performance

The Group generated total revenue of RM77.2 million for 1Q2022, which represented a marginal increase of RM0.7 million or 0.9% as compared to RM76.5 million recorded in 1Q2021. This was mainly attributed to the better performance of renewable energy division in the current quarter.

The profit before tax for 1Q2022 also increased by RM0.2 million or 0.9% to RM20.6 million as compared to RM20.4 million recorded in 1Q2021. The Group's profit after tax for the current quarter increased by RM0.6 million or 4.2% to RM15.5 million as compared to RM14.9 million recorded in the preceding year quarter mainly due to lower recognition of deferred tax expenses in current quarter.

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

Renewable Energy

The revenue for 1Q2022 increased by RM1.5 million or 2.4% to RM66.3 million from RM64.7 million recorded in 1Q2021. In line with the increase, the profit before tax for 1Q2022 also increased by RM0.4 million or 2.5% to RM17.5 million from RM17.0 million in 1Q2021. Higher revenue and profit in current quarter were mainly contributed by the better energy generation from most of the solar plants in current quarter as compared to 1Q2021.

Construction & Engineering

The revenue for 1Q2022 decreased slightly to RM4.5 million as compared to RM4.6 million recorded in 1Q2021. The profit before tax for 1Q2022 for this division also decreased to RM1.0 million from RM1.1 million recorded in 2021. This was mainly due to lower work activities at some of the project sites in current quarter as a result of the recent surge of Covid-19 infections which caused disruption of manpower.

Green Tech & Environmental Services

The revenue generated by this division for 1Q2022 decreased slightly to RM0.9 million as compared to RM1.1 million recorded in 1Q2021. The profit before tax in current quarter decreased marginally to RM0.2 million from RM0.3 million recorded in 1Q2021.

Waste Management & Waste-to-Energy

The revenue for this division in current quarter decreased by RM0.6 million to RM5.5 million from RM6.1 million recorded in 1Q2021. The profit before tax decreased slightly by RM0.1 million to RM1.9 million from RM2.0 million. The decreases were mainly because of lower work activities at site as result of the recent surge of Covid-19 infections which caused disruption of manpower.

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

The revenue of the Group for the current quarter decreased to RM77.2 million from RM86.9 million recorded in the immediate preceding quarter. Lower revenue was mainly due to lower work activities in current quarter as a result of the recent surge of Covid-19 infections at project sites which caused disruption of manpower and inclement weather which affected the sites condition and onsite working hours. The profit before tax of the group for the current quarter decreased to RM20.7 million from RM31.2 million recorded in the immediate preceding quarter. Higher profit was recorded in 4Q2021 mainly due to the better profit margin contributed from the specialist projects and the adjustments made on reversal of unutilised bonus and excess cost provision which were no longer required at year end.

B3. Prospects for the Current Financial Year

The Government's determination to boost usage of Renewable Energy ("RE") as the previous target of 20% RE adoption by 2025 has been revised to 31% is in line with its commitment to the 2012 Paris Agreement. This makes a great incentive to RE players like Cypark to contribute towards acceleration of Malaysia's adoption of green energy, including in solar energy. With the increase in the RE adoption target, Cypark expects sizeable solar quota to be offered by Suruhanjaya Tenaga through LSS5 tender and beyond in which Cypark will participate accordingly.

Under the Twelfth Plan, as the Government focuses on green economy, recycling of waste and implementing circular economy towards a more sustainable future for Malaysians, Cypark believes that there is big potential for growth in Waste-to-Energy ("WTE"). In this respect, the continuous effort of the Government under the Ministry of Housing and Local Government in inculcating greener way for waste management could result in more WTE plants being built in the future. Out of the 5 potential new WTE tenders that were highlighted, Cypark has participated in 2 WTE tenders in Johor and Malacca in collaboration with Johor and Malacca state-owned companies. Moving forward, we believe our outstanding track record in designing, constructing, owning, and operating the country's first WTE plant in Ladang Tanah Merah, Negeri Sembilan could stand us in good stead to win more WTE projects in the future.

Renewable Energy

At present, Cypark operates, owns, and/or manages approximately 96 MWp of RE assets. By FYE 2022, with the targeted completion of 172 MWp LSS3 project in Terengganu, 147 MWp LSS2 project in Kedah and Kelantan and the 20 MW SMART WTE Plant in Negeri Sembilan in 2022 together with other RE assets under our stable, Cypark will increase its operation of RE asset capacity to about 400 MW, strengthening Cypark's position as the RE market leader in Malaysia. Subsequent to FYE 2021, the 49 MW LSS2 project in Sik, Kedah had successfully achieved COD on 1 January 2022. With the impending completion of the LSS2 and LSS3 projects, RE will remain as the major contributor to Cypark's revenue and profit in year 2022.

Cypark also looks into ways to expand its reach in RE, both locally and internationally, through collaboration with renowned leaders in their respective fields. To this end, we have entered into a Memorandum of Understanding ("MOU") with Huawei Technologies (Malaysia) Sdn Bhd (Huawei) on 3 December 2021 to collaborate for the purposes of a long-term cooperation for a total of 500 MW RE projects located in and outside Malaysia. In this arrangement, Huawei will act as the technology enabler and it will undertake to provide the technical and after-sales support for all products and solutions. Meanwhile, Cypark would be the user and installer of the said products and solutions, subject to agreement of both parties and the terms and conditions of the collaboration. The MOU is in effect from the date of signing and will remain effective for a period of two (2) years until the execution of the set of definitive agreements between the parties or such other period as may be mutually agreed upon in writing. In line with Malaysia's goal of becoming a carbon neutral nation by 2050, Huawei will leverage on its extensive experience in power electronics and energy storage, as well as on its technical expertise to provide a digital powered solution for different industries, including RE. This MOU not only signifies Cypark's intention to grow beyond local shores, but it also proves Cypark's desire to have innovation and digitalisation embedded into its RE project offerings. In addition to this partnership, together with Cypark's proven competitive advantage and project delivery track record, Cypark is optimistic on its chances to secure oversea contracts in the near future.

In addition, the Ministry of Energy and Natural Resources ("KETSA") had taken the initiative to announce on 22 October 2021 that the Government will be releasing an additional quota of 300 MW of solar energy under the NEM 3.0 programme. Such additional quota which was released on 15 November 2021 is expected to open up more opportunities for the Company to offer rooftop solar solutions to non-domestic consumers in the commercial, industrial, mining and agriculture industries.

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

With progressive lifting of Movement Control Order (“MCO”) in 2021, albeit a contraction in the construction sector generally, the decline has been cushioned by a rebound in the specialised construction activities subsector. The prospect for the construction sector nationwide in 2022 is forecast to achieve double digit growth driven by higher productivity and margins.

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

Green Technology & Environmental Services

Cypark’s biogas and biomass plant in Kg Gajah which utilises by-products from the Palm Oil Industry, mainly the Palm Oil Mill Effluent (“POME”) and Biomass Engineered Fuel (“BEF”) has just begun generating income and expected to contribute significantly to the segment from FYE 2022 onwards. This plant is also considered as one of its kind in the palm oil industry where it integrates the usage of biogas and biomass that led to the company being awarded in the National Energy Awards (“NEA”) 2021 and simultaneously contributes to the country’s aspiration in reducing carbon emission arising from agriculture sector.

Looking ahead, Cypark has plans to incorporate solar system into the plant in year 2022 under the NEM initiative. The holistic approach innovated by Cypark will make both the products sold (biomass solid fuel and biogas from palm oil waste) and the production process using solar energy to be environmentally sustainable, hence promoting a true circular economy.

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

The SMART WTE project in Ladang Tanah Merah, Negeri Sembilan is also expected to reach its completion and operation stage in 2022. This will elevate Cypark to another stage of its competitiveness as it will be the first and distinctive such plant in Malaysia. This integration of advance waste treatment and recovery facilities together with WTE plant is the first of its kind in this region and it is expected to contribute circa RM80 million per annum in revenue.

Cypark has participated in two WTE tenders in Johor and Malacca in collaboration with Johor and Malacca state owned companies. The two WTE tenders are part of the five WTE tenders that were announced by KPKT under its national WTE implementation plan. With the track record in designing, constructing, owning, and operating the country’s first WTE plant, Cypark stands a good chance to win more WTE projects in the future. Cypark expects future WTE plant capacity to be between 15MW and 25MW with an expected investment value of above RM500 million each.

B4. Profit forecast and profit estimate

The Group did not issue any profit forecast or profit estimate previously in any public document.

B5. Profit before tax

	Individual Quarter		Cumulative Period	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Quarter	To Date	To Date
	31 Jan 2022	31 Jan 2021	31 Jan 2022	31 Jan 2021
Profit before tax is stated after crediting:-				
Financing revenue arising from contracts with customers	9,989,027	9,621,562	9,989,027	9,621,562
Interest income	618,703	735,054	618,703	735,054
Other income (including investment income)	10,856	191,402	10,856	191,402
Foreign exchange gain - unrealised	2,153	1,599	2,153	1,599
Profit before tax is stated after charging:-				
Interest expenses	9,463,800	9,432,418	9,463,800	9,432,418
Amortisation of intangible assets	909,919	909,919	909,919	909,919
Depreciation of right-of-use assets	196,130	223,715	196,130	223,715
Depreciation of plant and equipment	2,176,625	2,007,834	2,176,625	2,007,834
Provision for impairment loss on trade receivables	N/A	N/A	N/A	N/A
Provision for and write off of inventories	N/A	N/A	N/A	N/A
Impairment of assets	N/A	N/A	N/A	N/A
Loss on derivatives	N/A	N/A	N/A	N/A
Exceptional items	N/A	N/A	N/A	N/A

B6. Income tax expense

	Individual Quarter		Cumulative Period	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Quarter	To Date	To Date
	31-Jan-22	31-Jan-21	31-Jan-22	31-Jan-21
	RM	RM	RM	RM
Income tax				
- Current	4,993,074	5,264,329	4,993,074	5,264,329
Deferred tax	49,272	224,587	49,272	224,587
	<u>5,042,346</u>	<u>5,488,916</u>	<u>5,042,346</u>	<u>5,488,916</u>

B7. Profit on sale of unquoted investments and/or properties

There was no profit on sale of unquoted investments and/or properties during the current financial quarter.

B8. Purchase or disposal of quoted securities

There was no purchase or disposal of quoted securities during the current financial quarter.

B9. Status of corporate proposals

Save as disclosed below, there was no corporate proposal announced but not completed as at the date of this report: -

a. ESOS

The Company's new employee share option scheme of up to fifteen percent (15%) of the issued and paid-up share capital of CRB for the eligible employees and Directors of CRB and its subsidiaries ("ESOS") was approved by the shareholders of CRB at the Tenth (10th) Annual General Meeting, which was convened on 21 April 2015. The effective date for the implementation of the New ESOS was 19 October 2015, as announced on the even date. The ESOS shall be for a duration of five (5) years and will expire on 18 October 2020.

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

A total of 33,800,000 ESOS options ("2019 Options") under the ESOS Scheme was offered to eligible directors and employees at RM1.42 on 30 December 2019 and were fully accepted by all eligible directors and employees on 23 January 2020.

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

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

Directors	2019 Options Offered (Unit)	Options Accepted (Unit)
Tan Sri Razali bin Ismail	4,000,000	4,000,000
Dato' Daud bin Ahmad	12,000,000	12,000,000
Dato' Dr. Freezailah bin Che Yeom	300,000	300,000
Headir bin Mahfidz	300,000	300,000
Megat Abdul Munir bin Megat Abdullah Rafaie	300,000	300,000
Datuk Abdul Malek bin Abdul Aziz	300,000	300,000

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.

B9. Status of corporate proposals – cont’d

a. ESOS – cont’d

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

Directors	2020 Options Offered (Unit)	Options Accepted (Unit)
Tan Sri Razali bin Ismail	7,000,000	7,000,000
Dato’ Daud bin Ahmad	19,525,000	19,525,000
Dato’ Dr. Freezailah bin Che Yeom	525,000	525,000
Headir bin Mahfidz	525,000	525,000
Megat Abdul Munir bin Megat Abdullah Rafaie	525,000	525,000
Datuk Abdul Malek bin Abdul Aziz	300,000	300,000

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

Directors	Balance as at 1.11.2021	Granted	Exercised	Balance as at 31.01.2022
Tan Sri Razali bin Ismail	4,000,000	-	-	4,000,000
Dato’ Daud bin Ahmad	19,525,000	-	-	19,525,000
Dato’ Dr. Freezailah bin Che Yeom	-	-	-	-
Headir bin Mahfidz	-	-	-	-
Megat Abdul Munir bin Megat Abdullah Rafaie	-	-	-	-
Datuk Abdul Malek bin Abdul Aziz	50,000	-	-	50,000

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 said ESOS was extended for a further period from 19 October 2021 to 30 June 2022.

A total of 8,950,000 new ESOS options (“2021 Options”) under the ESOS Scheme was offered to eligible employees at RM1.16 on 19 January 2021 and fully accepted by all eligible employee on 8 February 2021.

B9. Status of corporate proposals – cont'd

a. ESOS – cont'd

2017 Option

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

	Outstanding as at 1.11.2021	Granted	Cancelled	Outstanding as at 31.01.2022	Exercisable as at 31.01.2022
2017 option	-	-	-	-	-
Weighted average exercise price (RM)	-	-	-	-	-
Weighted average remaining contractual life (months)	NA			N/A	

The details of the share options outstanding are as follows:

	Weighted average exercise price (RM)	Exercise period
2017 option	2.12	26.4.2017 – 21.12.2018
**Adjustments after bonus issue	1.40	22.12.2018 – 30.06.2022

The fair value of share options granted during the financial period was estimated using the binomial simulation model, taking into account the terms and conditions upon which the options were granted. The inputs to the option pricing model are as follows:-

Weighted average share price (RM)	2.40
Weighted average exercise price (RM)	2.12
Expected volatility (%)	24.82
Expected life (years)	3.48
Risk-free Interest rate (%)	3.73
Expected dividend yield (%)	2.47

Note: The above ESOS Options were cancelled on 11 March 2020.

B9. Status of corporate proposals – cont'd

a. ESOS – cont'd

2019 Option

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

	Outstanding as at 1.11.2021	Granted	Cancelled	Outstanding as at 31.01.2022	Exercisable as at 31.01.2022
2019 option	-	-	-	-	-
Weighted average exercise price (RM)	-	-	-	-	-
Weighted average remaining contractual life (months)	NA			N/A	

The details of the share options outstanding are as follows:

	Weighted average exercise price (RM)	Exercise period
2019 option	1.24	30.12.2019 – 30.06.2022

The fair value of share options granted during the financial period was estimated using the binomial simulation model, taking into account the terms and conditions upon which the options were granted. The inputs to the option pricing model are as follows:-

Weighted average share price (RM)	1.38
Weighted average exercise price (RM)	1.24
Expected volatility (%)	44.91
Expected life (years)	0.83
Risk-free Interest rate (%)	3.39
Expected dividend yield (%)	3.54

Note: The above ESOS Options were cancelled on 11 March 2020

B9. Status of corporate proposals – cont'd

a. ESOS – cont'd

2020 Option

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

	Outstanding as at 1.11.2021	Granted	Exercised	Outstanding as at 31.01.2022	Exercisable as at 30.01.2022
2020 option	24,589,999	-	-	24,580,000	24,580,000
Weighted average exercise price (RM)	0.595	-	-	0.595	0.595
Weighted average remaining contractual life (months)	8				5

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

	Weighted average exercise price (RM)	Exercise period
2020 option	0.595	26.3.2020 – 30.06.2022

The fair value of share options granted during the financial period was estimated using the binomial simulation model, taking into account the terms and conditions upon which the options were granted. The inputs to the option pricing model are as follows:-

Weighted average share price (RM)	0.70
Weighted average exercise price (RM)	0.595
Expected volatility (%)	39.07
Expected life (years)	0.66
Risk-free Interest rate (%)	2.89
Expected dividend yield (%)	0.00

B9. Status of corporate proposals – cont’d

a. ESOS – cont’d

2021 Option

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

	Outstanding as at 1.11.2021	Granted	Exercised	Outstanding as at 31.01.2022	Exercisable as at 31.01.2022
2021 option	8,950,000	-	-	8,950,000	8,950,000
Weighted average exercise price (RM)	1.16	-	-	1.16	1.16
Weighted average remaining contractual life (months)	8				5

The details of the share options outstanding are as follows:

	Weighted average exercise price (RM)	Exercise period
2021 option	1.16	19.01.2021 – 30.06.2022

The fair value of share options granted during the financial period was estimated using the binomial simulation model, taking into account the terms and conditions upon which the options were granted. The inputs to the option pricing model are as follows:-

Weighted average share price (RM)	1.39
Weighted average exercise price (RM)	1.16
Expected volatility (%)	50.31
Expected life (years)	0.66
Risk-free Interest rate (%)	1.94
Expected dividend yield (%)	0.00

b. Private Placement

On 16 June 2021, the Company announced its proposal to implement a private placement up to 104,998,290 new ordinary shares in Cypark Resources Berhad (“CRB Shares” or “Shares”) (“Placement Shares”), representing up to twenty per cent (20%) of the total number of issued shares of the Company at an issue price to be determined and announced later.

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

The Company submitted the additional listing application to Bursa Securities on 17 June 2021 and obtained the approval from Bursa Securities on 18 June 2021.

b. Private Placement– cont’d

On 29 July 2021, the Company announced that the issue price for 20,000,000 Placement Shares, being the first (1st) tranche of the Private Placement, had been fixed at RM0.90 per Placement Share. The issue price represents a discount of RM0.0390 or approximately 4.15% to the 5-day VWAP of the CRB Shares up to and including 28 July 2021, being the last market day immediately preceding the Price-Fixing Date of RM0.9390 per CRB Share. The first (1st) tranche of the Private Placement was completed on 11 August 2021, following the listing of and quotation for 20,000,000 Placement Shares on the even date.

On 9 September 2021, the Company announced that the issue price for 50,600,000 Placement Shares, being the second (2nd) tranche of the Private Placement, had been fixed at RM0.92 per Placement Share. The issue price represents a discount of RM0.0935 or approximately 9.23% to the 5-day VWAP of the CRB Shares up to and including 8 September 2021 of RM1.0135 per CRB Share. The second (2nd) tranche of the Private Placement was completed on 22 September 2021, following the listing of and quotation for 50,600,000 Placement Shares on the even date.

On 20 October 2021, the Company announced that the issue price for 16,000,000 Placement Shares, being the third (3rd) tranche of the Private Placement, has been fixed at RM0.95 per Placement Share. The issue price represents a discount of RM0.0434 or approximately 4.37% to the 5-day VWAP of the CRB Shares up to and including 18 October 2021 of RM0.9934 per CRB Share. The Private Placement was completed on 29 October 2021, following the listing of and quotation for 16,000,000 Placement Shares on the even date.

Subsequently, on 19 November 2021, the Company announced that the issue price for 3,398,290 Placement Shares, being the fourth (4th) tranche of the Private Placement, has been fixed at RM0.95 per Placement Share. The issue price represents a discount of RM0.0017 or approximately 0.18% to the 5-day VWAP of the CRB Shares up to and including 18 November 2021 of RM0.9517 per CRB Share. The Private Placement was completed on 1 December 2021, following the listing of and quotation for 3,398,290 Placement Shares on the even date.

On 6 December 2021, the Company announced the issue price of RM0.95 per Placement Share for the fifth and final tranche. The issue price represents a premium of RM0.0814 or approximately 9.37% to the 5-day VWAP of the CRB shares up to and including 2 December 2021, being the last market day immediate preceding the price-fixing date of RM0.8686 per CRB share. On 17 December 2021, the Private Placement had been completed for 15,000,000 unit Placement Shares.

The utilisation of the proceeds raised is as follows:

Purpose	Proposed Utilisation	Actual Utilisation	Deviation		Estimated timeframe for Utilisation
	RM	RM	RM	%	
Development cost for a solar power plant facility	96,000,000	62,000,000	34,000,000	35%	Will be utilised in coming quarters
Partial repayment of bank borrowings	780,376	780,376	-	-	Fully utilised
Expenses on the private placement	450,000	450,000	-	-	Fully utilised
Total	97,230,376	63,230,376	34,000,000	35%	

B10. Group's borrowings and debts securities

The Group's borrowings and debts securities as at 31 January 2022 are as follows:-

	31 Jan 2022	31 Jan 2021
	RM	RM
Short term borrowings		
Secured:-		
Bank overdrafts	3,077,091	145,264
Trust receipts	86,421,748	59,247,133
Bond - Sukuk Murabahah	9,775,113	-
Term loans	20,090,000	34,760,000
Revolving credits	<u>133,099,065</u>	<u>140,503,456</u>
	<u>252,463,017</u>	<u>234,655,853</u>
Long term borrowings		
Secured:-		
Term loans	618,020,894	449,822,689
Bond - Sukuk Murabahah	<u>528,194,831</u>	<u>537,041,658</u>
	<u>1,146,215,725</u>	<u>986,864,347</u>
Total borrowings		
Secured:-		
Bank overdrafts	3,077,091	145,264
Trust receipts	86,421,748	59,247,133
Term loans	638,110,894	484,582,689
Revolving credits	133,099,065	140,503,456
Bond - Sukuk Murabahah	<u>537,969,944</u>	<u>537,041,658</u>
	<u>1,398,678,742</u>	<u>1,221,520,200</u>

B11. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at the date of this quarterly report.

B12. Material Litigation

There is no pending material litigation as at the date of issuance of this quarterly report except for the following:

a. **Huls Engineering Sdn. Bhd. (“Plaintiff”) v Cypark Sdn. Bhd. (“Defendant”) (Shah Alam High Court Suit No.: BA-22C-35-07/2017)**

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

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

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

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

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

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

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

The Appeal was fixed for case management on 17 June 2019 and the parties had on 24 May 2019 entered into a consent order to stay the execution of the High Court’s judgement pending the Appeal. The Court of Appeal matter was fixed for hearing on the 25 August 2020. The hearing date for the appeal fixed on 25 August 2020 had been vacated by the Court of Appeal. Instead, a case management had been fixed on 02 September 2020. During the case management on 02 September 2020, the Court directed for another case management on 23 September 2020 for parties to fix dates for the hearing of the appeal.

The Court had fixed the matter for another case management on 27 April 2021 and the hearing of the appeal fixed on 11 May 2021. The hearing date for the appeal fixed on 11 May 2021 had been vacated and pushed back to 15 September 2021. The Court of Appeal did not wish to interfere with the findings of the High Court. The Defendant is preparing to file the leave to appeal to Federal Court.

On 15 October 2021, the Defendant filed a Notice of Motion seeking leave to appeal against the entire Court of Appeal Decision (“Leave Application”) to the Federal Court. The Leave Application is currently fixed for case management on 15 March 2022 and hearing on 30 March 2022.

B13. Dividends

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

B14. Earnings per share

The following reflect the profit and share data used in the computation of basic and diluted earnings per share for the quarter ended 31 October 2021: -

	Individual Quarter		Cumulative Period	
	Current Year Quarter 31-Jan-22 RM	Preceding Year Quarter 31-Jan-21 RM Restated	Current Year To Date 31-Jan-22 RM	Preceding Year To Date 31-Jan-21 RM Restated
Profit net of tax, representing total comprehensive income attributable to owners of the Company	15,816,462	14,982,846	15,816,462	14,982,846
Distribution to holders of perpetual sukuk	(3,430,041)	(2,415,793)	(3,430,041)	(2,415,793)
	<u>12,386,421</u>	<u>12,567,053</u>	<u>12,386,421</u>	<u>12,567,053</u>
Weighted average number of ordinary shares for basic earnings per shares computation	580,021,524	476,014,462	580,021,524	476,014,462
Effects of dilution - share options	1,441,656	3,933,113	1,441,656	3,933,113
Weighted average number of ordinary shares for diluted earnings per share computation	<u>581,463,179</u>	<u>479,947,575</u>	<u>581,463,179</u>	<u>479,947,575</u>