

**Unaudited Condensed Consolidated Statements of Comprehensive Income**  
**For the First Quarter ended 31 July 2023**

	Individual Quarter		Cumulative Period	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Quarter	To Date	To Date
	31 July 2023	31 July 2022	31 July 2023	31 July 2022
	RM	RM	RM	RM
<b>Revenue</b>	36,518,575	-	36,518,575	-
Cost of sales	(32,340,334)	-	(32,340,334)	-
<b>Gross profit</b>	4,178,241	-	4,178,241	-
Other income	5,271,519	-	5,271,519	-
Administrative expenses	(695,437)	-	(695,437)	-
<b>Operating profit</b>	8,754,323	-	8,754,323	-
Finance costs	(9,998,869)	-	(9,998,869)	-
Share of results of an associate	(32,650)	-	(32,650)	-
Loss before tax	(1,277,196)	-	(1,277,196)	-
Tax expense	1,836,330	-	1,836,330	-
<b>Profit for the financial year</b>	559,134	-	559,134	-
<b>Other comprehensive income net of tax</b>	-	-	-	-
<b>Total comprehensive income for the year</b>	559,134	-	559,134	-
<b>Total comprehensive income attributable to:-</b>				
- Owners of the Company	304,509	-	304,509	-
- Non-controlling interest	254,625	-	254,625	-
	559,134	-	559,134	-
<b>Loss per share for loss attributable to the owners of the Company (sen per share)</b>				
- Basic	(0.46)	-	(0.46)	-
- Diluted	(0.46)	-	(0.46)	-

*Note:*

- The Unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 April 2023 and the accompanying notes attached to the unaudited interim financial statements.
- There are no comparative figures for the quarter ended 31 July 2023. Due to the change in financial year end from 31 October 2022 to 30 April 2023, the Unaudited Condensed Consolidated Statement of comprehensive income for the current quarter ended 31 July 2023, being the first quarter of the financial year ending 30 April 2024.

**Unaudited Condensed Consolidated Statements of Financial Position As at 31 July 2023**

	<b>Unaudited As At 31 July 2023</b>	<b>Audited As At 30 April 2023</b>
	<b>RM</b>	<b>RM</b>
<b>Assets</b>		
<b>Non-current assets</b>		
Plant and equipment	661,296,784	656,004,472
Right-of-use assets	4,817,142	4,955,084
Intangible assets	962,312,186	968,418,089
Investment in an associate	2,874,602	2,907,252
Other investment	24,000,000	24,000,000
Deferred tax assets	69,532,941	67,024,718
	<u>1,724,833,654</u>	<u>1,723,309,615</u>
<b>Current assets</b>		
Trade and other receivables	62,756,869	98,558,835
Contract assets	759,665,527	753,650,706
Tax assets	9,920,900	9,888,678
Deposits, cash and bank balances	158,005,182	155,624,491
	<u>990,348,478</u>	<u>1,017,722,711</u>
<b>Total assets</b>	<u>2,715,182,133</u>	<u>2,741,032,326</u>
<b>Equity and liabilities</b>		
<b>Current liabilities</b>		
Loans and borrowings	262,342,592	263,723,152
Lease liabilities	457,021	501,290
Trade and other payables	203,688,894	264,964,992
Tax payable	712,714	230,124
	<u>467,201,221</u>	<u>529,419,558</u>
<b>Net current assets</b>	<u>523,147,257</u>	<u>488,303,153</u>
<b>Non-current liabilities</b>		
Loans and borrowings	1,218,380,742	1,183,293,905
Lease liabilities	5,203,328	5,219,156
	<u>1,223,584,070</u>	<u>1,188,513,061</u>
<b>Total liabilities</b>	<u>1,690,785,291</u>	<u>1,717,932,619</u>
<b>Net assets</b>	<u>1,024,396,842</u>	<u>1,023,099,707</u>
<b>Equity</b>		
Share capital	586,410,676	585,597,276
Reverse acquisition reserve	(36,700,000)	(36,700,000)
Employee share option reserve	1,036,895	1,090,295
Retained earnings	254,376,227	257,966,287
<b>Equity attributable to owners of the Company</b>	<u>805,123,798</u>	<u>807,953,857</u>
Perpetual Sukuk	236,836,681	232,964,113
<b>Non-controlling interests</b>	<u>(17,563,637)</u>	<u>(17,818,262)</u>
<b>Total Equity</b>	<u>1,024,396,841</u>	<u>1,023,099,707</u>
<b>Total equity and liabilities</b>	<u>2,715,182,133</u>	<u>2,741,032,326</u>
Net assets per share attributable to owners of the Company (RM)	1.31	1.31

**Note:**

- The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 April 2023 and the accompanying notes attached to the unaudited interim financial statements.
- There are no comparative figures for the quarter ended 31 July 2023. Due to the change in financial year end from 31 October 2022 to 30 April 2023, the Unaudited Condensed Consolidated Statement of comprehensive income for the current quarter ended 31 July 2023, being the first quarter of the financial year ending 30 April 2024.

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**Statements of Changes in Equity for the First Quarter ended 31 July 2023**

← Attributable to owners of the Company →  
 ← Non-distributable → Distributable

	Share capital RM	Share option reserve RM	Reverse acquisition reserve RM	Retained earnings RM	Total RM	Perpetual Sukuk RM	Non-controlling interests RM	Equity Total RM
<b>2024 Group</b>								
<b>Opening balance at 1 May 2023</b>	585,597,276	1,090,295	(36,700,000)	257,966,287	807,953,857	232,964,113	(17,818,262)	1,023,099,707
<b>Total comprehensive income</b>	-	-	-	304,509	304,509	-	254,625	559,134
<b>Issuance of Perpetual Sukuk (net of Expenses)</b>	-	-	-	-	-	(22,000)	-	(22,000)
<b>Transactions with owners</b>								
Issue of ordinary shares via:-								
- Exercise of ESOS Options	813,400	(53,400)	-	-	760,000	-	-	760,000
Distribution to Perpetual Sukuk holders	-	-	-	(3,894,568)	(3,894,568)	3,894,568	-	-
Total transactions with owners	813,400	(53,400)	-	(3,894,568)	(3,134,568)	3,894,568	-	760,000
<b>Closing balance at 31 July 2023</b>	586,410,676	1,036,895	(36,700,000)	254,376,227	805,123,798	236,836,681	(17,563,637)	1,024,396,841

1. *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 30 April 2023 and the accompanying notes attached to the unaudited interim financial statements. There are no comparative figures for the quarter ended 31 July 2023. Due to the change in financial year end from 31 October 2022 to 30 April 2023, the Unaudited Condensed Consolidated Statement of comprehensive income for the current quarter ended 31 July 2023, being the first quarter of the financial year ending 30 April 2024.*

**Unaudited Condensed Consolidated Statements of Cash Flows**  
**For the First Quarter ended 31 July 2023**

	3 months ended	
	31 July 2023 RM	31 July 2022 RM
<b>Cash flows from operating activities</b>		
Loss before tax	(1,277,196)	-
Adjustments for:		
Depreciation of plant and equipment	2,326,974	-
Share of results in associated company	32,650	-
Depreciation of right-of-use assets	137,942	-
Amortisation of intangible assets	6,105,904	-
Reversal of impairment losses on contract asset	(1,268,125)	-
Interest expense	17,568,973	-
Interest income	(1,439,655)	-
Operating cash flows before changes in working capital	22,187,466	-
Changes in working capital:		
Trade and other receivables	37,070,092	-
Contract assets	(6,014,821)	-
Trade and other payables	(61,276,098)	-
Cash flows used in operations	(8,033,362)	-
Tax paid	(221,525)	-
Net cash flows used in operating activities	(8,254,886)	-
<b>Cash flows from investing activities</b>		
Plant and equipment	(7,619,285)	-
Interest received	1,439,655	-
Net cash flows used in investing activities	(6,179,630)	-
<b>Cash flows from financing activities</b>		
Issuance of ordinary shares via:		
- ESOS	760,000	-
Issuance of perpetual sukuk - net of expenses	(22,000)	-
Payment of lease liabilities	(523,814)	-
Revolving credit, net	(9,347,347)	-
Short term borrowings, net	5,082,437	-
Term loans, net	54,828,356	-
Interest paid	(36,846,775)	-
Net cash flows generated from financing activities	13,930,857	-
<b>Net decrease in cash and cash equivalents</b>	(503,659)	-
<b>Cash and cash equivalents at beginning of financial year</b>	152,231,826	-
<b>Cash and cash equivalents at end of financial year</b>	151,728,167	-
<b>Cash and cash equivalents at the end of the financial year comprise the following:</b>		
Short term deposits with licensed banks	124,801,368	-
Cash at banks and in hand	33,203,814	-
Cash and bank balances	158,005,182	-
Less: Bank overdrafts	(6,277,015)	-
	151,728,167	-

- (1) The Unaudited Condensed Consolidated Statements of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 30 April 2023 and the accompanying notes attached to the unaudited interim financial statements.
- (2) There are no comparative figures for the quarter ended 31 July 2023. Due to the change in financial year end from 31 October 2022 to 30 April 2023, the Unaudited Condensed Consolidated Statement of comprehensive income for the current quarter ended 31 July 2023, being the first quarter of the financial year ending 30 April 2024.

**NOTES TO THE INTERIM FINANCIAL REPORT**

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

**A1. Basis of Preparation**

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

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 April 2023. The explanatory notes attached to these interim financial statements provide an explanation of events and transactions that are significant to understand the changes in the financial position and performance of the Group since the financial year ended 30 April 2023.

**A2. Changes in accounting policies**

The significant accounting policies and computation methods are consistent with those adopted for the year ended 30 April 2023, except for the adoption of the following new MFRS and Issue Committee Interpretations (“IC Interpretations”) issued by the Malaysian Accounting Standards Board (“MASB”):

<b>MFRSs, Amendments to MFRSs and IC Interpretation</b>		<b>Effective for annual period beginning on or after</b>
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 112 Income Taxes	International Tax Reform - Pillar Two Model Rule	1 January 2023

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:-

<b>MFRSs, Amendments to MFRSs and IC Interpretation</b>		<b>Effective for annual period beginning on or after</b>
Amendments to MFRS 16 Leases	Lease Liability in a Sale and Leaseback	<i>1 January 2024</i>
Amendments to MFRS 101 Presentation of Financial Statements)	Non-current Liabilities with Covenants	<i>1 January 2024</i>
Amendments to MFRS 107 Statement of Cash Flows and MFRS 7	Financial Instruments: Disclosures - Supplier Finance Arrangement	<i>1 January 2024</i>
Amendments to MFRS 121	Lack of Exchangeability	<i>1 January 2025</i>
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 period ended 30 April 2023.

**A4. Seasonal or cyclical factors**

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

**A5. Items of unusual nature**

Unless otherwise disclosed in the Note B1 and B2, 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, other than disclosed below:-

(a) In the beginning of financial year 2024, the Group conducted a technical assessment on the lifespan of Waste-to-Energy (“WTE”) plants. In view that the operational life of the WTE can be extended with some refurbishment including replacement of relevant components and equipment. With refurbishment considerations and good standards of operations and maintenance, these WTE facilities can operate beyond the design lifetime, and can achieve a lifetime up to 50 years. As a result, the Group revised the useful lives of the WTE plants to 40 years.

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**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:-

**Subsequent event****Perpetual Sukuk Musharakah**

As at 12 September 2023 and 26 September 2023, Cypark Renewable Energy Sdn Bhd (“CRE”), a wholly owned subsidiary of Cypark Resources Bhd issued the Tranche 2 and Tranche 3 of the Perpetual Sukuk Musharakah of RM100 million and RM165 million in nominal value on an unsecured basis from the issuance size of up to RM265 million under its Perpetual Sukuk Musharakah Programme (“Tranche 2 and 3 Issuance”).

As of to date, on cumulative basis, CRE had issued a total of RM500.0 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 dividend has been recommended for the financial quarter under review.

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**A9. Segmental Information**

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

	Renewable Energy RM	Construction & Engineering RM	Green Tech & Environmental Services RM	Waste Management & Waste-To-Energy RM	Elimination RM	Total RM
<b>3 months ended 31 July 2023</b>						
<b>Revenue</b>						
Sale to external customers	21,685,685	3,761,391	1,069,525	10,001,973	-	36,518,575
Inter-segment sales	6,858,083	-	-	-	(6,858,083)	-
Total revenue	<u>28,543,768</u>	<u>3,761,391</u>	<u>1,069,525</u>	<u>10,001,973</u>	<u>(6,858,083)</u>	<u>36,518,575</u>
<b>Results</b>						
<b>Profit/Loss before tax</b>	1,848,416	1,242,466	1,783,997	(6,152,075)	-	(1,277,196)
Income tax expense						<u>1,836,330</u>
<b>Profit net of tax</b>						<u>559,134</u>

*Note: There are no comparative figures for the quarter ended 31 July 2023. Due to the change in financial year end from 31 October 2022 to 30 April 2023, the Unaudited Condensed Consolidated Statement of comprehensive income for the current quarter ended 31 July 2023, being the first quarter of the financial year ending 30 April 2024.*

**A10. Valuation of property, plant and equipment**

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

**A11. Capital commitments**

Except as disclosed below, there was no capital commitment as at 31 July 2023:-

Capital expenditure

Approved and contracted for:-

- Plant and equipment

**RM**

192,700,000



**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 23 September 2023, being the latest practicable date ("LPD") which is not earlier than 7 days from the date of issuance of this quarterly report, that have not been reflected in this quarterly report.

**A13. Changes in composition of the group**

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

**A14. Contingent liabilities**

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

	<b>31 July 2023</b>
	<b>RM</b>
<b>Secured:</b>	
- Performance bond/tender bond guarantees favouring Government/ Statutory bodies for various projects	6,597,103
- Bank guarantees extended to Government Bodies/Companies for various projects	163,629,764
- Bank guarantees extended to third parties in respect various projects of the Group	298,794
- Letter of credits given to suppliers for purchase of materials	20,628,981
	<u>191,154,641</u>
<b>Unsecured:</b>	
- Corporate guarantees given to banks for credit facilities granted to subsidiaries	1,265,020,000
	<u>1,265,020,000</u>
<b>TOTAL</b>	<u>1,456,174,641</u>

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

**A15. Significant related party transactions**

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

**B1. Analysis of performance**

For the quarter ended 31 July 2023 ("1Q2024"), the Group recorded RM36.5 million in revenue. The revenue was primarily contributed by the renewable energy division and waste management & waste to energy division which were mostly recurring in nature and these different streams of recurring income will continue to contribute positively to the Group on long term basis. The contribution of the revenue generated from construction phase to the top line was not significant in current quarter as most of the projects have moved from construction phase to operation & maintenance ("O&M") phase and the current ongoing projects were at the tail end of the completion stage in the current quarter. Accordingly, the group reported operating profit at RM 8.8million in the current quarter partly due to various newly secured project that contributed to better margin in the current quarter.

However, the Group reported loss before tax of RM1.3 million for the current quarter which was mainly due to the lower performance in waste management & waste to energy division. The revenue generated by the waste-to-energy ("WTE") plant located at Ladang Tanah Merah ("LTM") was lower than expectation during its early stage of operation, it is expected that the plant will achieve optimal capacity soon. Despite the WTE plant generating lower revenue, the management has been liaising closely with the relevant authorities to discuss on the tipping fee review. Accordingly, the Group has adjusted the tipping fee in the current quarter as a result of the positive feedback got from the relevant authorities.

Although we incurred a loss before tax, the group has recorded profit after tax of RM0.5 million for the current quarter. This was mainly attributable to lower tax expense recorded due to lower tax provision for tax-exempted projects and lower construction revenue as well as the recognition of deferred tax assets.

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

**Renewable Energy**

The revenue for this division in 1Q2024 was recorded at RM21.7 million. It mainly consisted of the revenue generated from the brownfield projects. Construction revenue from the greenfield projects was not significant in current quarter as the two turnkey projects located at Kelantan are currently near to completion. Due to the lower contribution of construction revenue, the division reported a profit before tax of RM1.8 million in current quarter.

Moving forward, upon achieving the Commercial Operation Date ("COD") by the remaining two turnkey projects, the LSS2 projects will move from construction phase to O&M phase. There will be no construction revenue to be recognised from these LSS2 projects. Under the O&M phase, Cypark Ref Sdn Bhd ("CREF") being the turnkey contractor cum deferred payment financier will continue to recognise interest revenue as the recurring income for the next 21 years. In addition, the Group's 100% owned subsidiary, Cypark Renewable Energy Sdn Bhd ("CRE"), has been appointed as the long-term O&M specialist for these LSS2 projects and will also receive O&M revenue as another revenue stream for the next 2 years. It is expected that the strong and steady inflows of these secured contracts will contribute positively to the Group during the O&M phase for the next 21 years. The Group will receive scheduled and confirmed payments agreed with the clients during the said period. The first collection will commence once the client begins to receive payment from Tenaga Nasional Berhad ("TNB") from the sale of renewable energy.

**B1. Analysis of performance-continued****Construction & Engineering**

Revenue in this division was recorded at RM3.8 million in the 1Q2024. This was mainly contributed from the progress work activities on the newly secured project. The profit before tax of RM 1.2 million was recorded in this division in current quarter. There were also reversals of provisions that were no longer used in current quarter.

The Group accepted a Letter of Award dated 13 April 2023 from Selgate Corporation Sdn. Bhd. (“Selgate”) for the execution and completion of the remaining works for the proposed construction of a 10-storey private hospital together with a 6-storey parking lot on Lot PT. 3939 (Original Lot: Lot PT. 1328 and PT. 1331), Sungai Bakau, Mukim Rawang, Selangor Darul Ehsan, with a contract sum of RM108.8 million. The Project is expected to contribute positively to the earnings and net assets of the Group.

**Green Tech & Environmental Services**

This division contributed revenue of RM1.1 million to the Group in the 1Q2024. The revenue in this division mainly consisted of sale of energy from the 1.55MW palm oil mill effluent (“POME”) biogas plant in Kg Gajah. The plant will continue to sell the energy to Tenaga Nasional Berhad (“TNB”) from the Commercial Operation Date (“COD”) via the long-term renewable energy power purchase agreement (“REPPA”) signed with TNB. There was reversal of impairment loss on the contract asset in the current quarter due to a formal feedback from the authority. However, the Group still continuous to engage the authority for the balance of the claims. As a result, the profit before tax was recorded at RM1.8 million in the current quarter.

**Waste Management & Waste-To-Energy**

This division recorded revenue of RM10.0 million in the 1Q2024. The recurring streams of revenue generated in this division include sale of green energy from its completed integrated WTE plant, tipping fees and recycling revenue.

However, loss before tax of RM6.1 million was recorded in this quarter mainly due the revenue from sale of green energy from WTE plant was lower than expectation during its initial stage of operation and it is expected that the plant will achieve the optimal capacity soon.

Despite the WTE plant generating lower revenue, the management has been liaising closely with the relevant authorities to discuss on the tipping fee review. Following the positive feedback from the various discussion, the tipping fee would be adjusted in due course. Accordingly, the Group has adjusted accordingly the tipping fee in the current quarter.

The various recurring and secured inflows from this project are expected to contribute positively to the Group in the long run and the margin will improve once the plant has stabilised.

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

The revenue of the Group for the current quarter was recorded at RM36.5 million as compared to RM32.2 million recorded in immediate preceding quarter. Better performance recorded in the current quarter mainly due to the progress work done from the newly secured project. Besides that, the management has maintained constant communication with the appropriate authorities to discuss the review of the tipping fee, and the response has been favourable. Accordingly, the Group has adjusted accordingly the tipping fee in the current quarter.

The Group posted a loss before tax of RM1.4 million in the current quarter as compared to loss before tax of RM406.8 million in the immediate preceding quarter. Higher loss before tax was recorded in the immediate preceding quarter was mainly due to the recognition of accounting adjustments of RM379.6 million made on prudence basis, which included provision for liquidated ascertained damages, impairment on asset and recognition of projects’ prolongation costs. These mainly were one-off adjustments and not expected to be recurring.

**B3. Prospects for the Current Financial Year**

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

While we continue to focus on completing our current projects within 2023, we are also selectively venturing into new projects. In realising our target of reaching a capacity goal of 800MW by 2027, we are proactively identifying expansion and diversification opportunities in the industry. Our priority lies on RE businesses including large scale solar power, biogas, biomass and WTE projects which will enable us to tap into clean and sustainable energy sources while we continue to play our significant role in decreasing GHG emissions.

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

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

Cypark's focus also remain on waste management particularly in Waste-to-Energy ("WTE") as the Government focuses on green economy, recycling of waste and implementing circular economy towards a more sustainable future for Malaysians as part of National Energy Transition Roadmap ("NETR") to accelerate Malaysia's energy transition, supporting Malaysia 12th Plan which outlines aspirations for the nation to achieve net zero emissions by 2050 as well as the National Energy Policy (DTN) which aspires Malaysia to become a low carbon nation in 2040. Cypark's track record remain as Malaysia's first developer and the only operator of Municipal Solid Waste ("MSW") WTE plant in Ladang Tanah Merah, Negeri Sembilan with capacity of 20MW could stand us in good stead to win more WTE projects in the future, locally and regionally.

**Renewable Energy**

At present, Cypark operates, owns, and/or manages approximately 118 MWp of RE assets. With the targeted completion of 172 MWp LSS3 project in Terengganu and 98 MWp LSS2 project in Kelantan by December 2023, Cypark will increase its operation of RE asset capacity to about 407 MW, strengthening Cypark's position as the RE market leader in Malaysia. 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 recurring revenue and profit in year 2023.

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

In November 2022, the Government introduced the new Corporate Green Power Programme ("CGPP") to promote the adoption of green energy amongst corporate companies in Malaysia through the use of virtual power purchase agreements (VPPA) which is also known as the Corporate Green Power Agreement (CGPA). The Government has allocated about 800MW for the CGPP programme on the first come first serve basis. With this quota, it has opened up more opportunities for Cypark to offer solar solutions on large scale basis to its secured corporate consumers.

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

With the recent Government's announcement on the National Energy Transition Plan ("NETR"), Cypark has also looking into ways to participate in the cross-border electricity sales to Singapore. Through collaboration with other solar developer(s), partner(s), major equipment supplier(s) as well as the electricity offtaker(s), Cypark remains intact in its aspiration to grow its business beyond Peninsular Malaysia.

**Construction & Engineering**

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

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

**Green Technology & Environmental Services**

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") had begun generating income and expected to contribute significantly to the segment since 2022.

Taking into consideration the same business model, Cypark has further secured more biogas and biomass projects in 2022 and 2023 located in Johor and Terengganu.

Looking ahead, Cypark is looking into opportunities to develop more biogas and biomass projects to increase portfolio capacities. Additionally, Cypark has plans to incorporate solar system into the plant in year 2023 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 achieved its Commercial Operation Date ("COD") and started its sales of green energy from waste to TNB on 14 December 2022. This integration of Solid Waste Advance Recovery and Treatment facilities (SMART) together with WTE plant is the first of its kind in this region and it is expected to contribute circa RM80 million per annum in revenue.

Encouraged by Cypark's successful commissioning of the only WTE in the country, Cypark plans to actively participate in future WTE tenders that were announced by KPKT under its national WTE implementation plan. With the track record of successfully designing, constructing, commissioning, and operating the country's first WTE plant in Negeri Sembilan, Cypark stands 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.

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**B5. Loss before tax**

	Individual Quarter		Cumulative Period	
	Current Year Quarter 31 July 2023	Preceding Year Quarter 31 July 2022	Current Year To Date 31 July 2023	Preceding Year To Date 31 July 2022
Loss before tax is stated after crediting:-				
Financing revenue arising from contracts with customers	9,555,426	-	9,555,426	-
Interest income	1,439,655	-	1,439,655	-
Other income (including investment income)	2,563,739	-	2,563,739	-
Reversal of impairment losses on contract asset	1,268,125	-	1,268,125	-
Loss before tax is stated after charging:-				
Interest expenses	17,568,973	-	17,568,973	-
Amortisation of intangible assets	6,105,904	-	6,105,904	-
Depreciation of right-of-use assets	137,942	-	137,942	-
Depreciation of plant and equipment	2,326,974	-	2,326,974	-

**B6. Income tax expense**

	Individual Quarter		Cumulative Period	
	Current Year Quarter 31 July 2023 RM	Preceding Year Quarter 31 July 2022 RM	Current Year To Date 31 July 2023 RM	Preceding Year To Date 31 July 2022 RM
Income tax				
- Current	671,893	-	671,893	-
Deferred tax	(2,508,223)	-	(2,508,223)	-
	<u>(1,836,330)</u>	<u>-</u>	<u>(1,836,330)</u>	<u>-</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 (10<sup>th</sup>) 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 was for a duration of five (5) years and expired on 18 October 2020.

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. On 30 June 2022, upon the recommendation of Option Committee, the Company had announced that the duration of the ESOS Scheme will be extended for a period from 1 July 2022 to 30 June 2024.

A total of 48,894,000 ESOS options ("2022 Options") under the ESOS Scheme was offered to eligible directors and employees at RM0.38 on 28 December 2022 and were fully accepted by all eligible directors and employees on 31 January 2023.

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

<b>Directors</b>	<b>2022 Options Offered (Unit)</b>	<b>Options Accepted (Unit)</b>
Tan Sri Razali bin Ismail	1,000,000	1,000,000
Dato' Daud bin Ahmad	40,000,000	40,000,000
Megat Abdul Munir bin Megat Abdullah Rafaie	200,000	200,000

Details of the ESOS 2022 options exercised by the directors are disclosed as below:-

<b>Directors</b>	<b>Balance as at 1.05.2023</b>	<b>Granted</b>	<b>Exercised</b>	<b>Balance as at 31.07.2023</b>
Tan Sri Razali bin Ismail	1,000,000	-	-	1,000,000
Dato' Daud bin Ahmad	37,500,000	-	2,000,000	35,500,000

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

**a. ESOS – cont'd**

**2022 Option**

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

	Outstanding as at 1.5.2023	Granted	Exercised	Outstanding as at 31.07.2023	Exercisable as at 31.07.2023
2022 option	40,835,000	-	2,000,000	38,835,000	38,835,000
Weighted average exercise price (RM)	0.38	-	0.38	0.38	0.38
Weighted average remaining contractual life (months)	14				11

The details of the share options outstanding are as follows:

	Weighted average exercise price (RM)	Exercise period
2022 option	0.38	28-12-22 - 30.06.2024

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)	0.42
Weighted average exercise price (RM)	0.38
Expected volatility (%)	64.92
Expected life (years)	1.51
Risk-free Interest rate (%)	3.72
Expected dividend yield (%)	0.00



**B10. Group's borrowings and debts securities**

The Group's borrowings and debts securities as at 31 July 2023 are as follows:-

	<b>31 July 2023</b>	<b>30 April 2023</b>
	<b>RM</b>	<b>RM</b>
<b>Short term borrowings</b>		
Secured:-		
Bank overdrafts	6,277,015	3,392,665
Trust receipts	96,338,323	91,255,886
Bond - Sukuk Murabahah	19,612,253	19,612,253
Term loans	33,140,000	33,140,000
Revolving credits	<u>106,975,000</u>	<u>116,322,347</u>
	<u>262,342,592</u>	<u>263,723,152</u>
<b>Long term borrowings</b>		
Secured:-		
Term loans	728,203,686	673,375,330
Bond - Sukuk Murabahah	<u>490,177,055</u>	<u>509,918,575</u>
	<u>1,218,380,742</u>	<u>1,183,293,905</u>
<b>Total borrowings</b>		
Secured:-		
Bank overdrafts	6,277,015	3,392,665
Trust receipts	96,338,323	91,255,886
Term loans	761,343,686	706,515,330
Revolving credits	106,975,000	116,322,347
Bond - Sukuk Murabahah	<u>509,789,308</u>	<u>529,530,828</u>
	<u>1,480,723,333</u>	<u>1,447,017,057</u>

**B11. Off Balance Sheet Financial Instruments**

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

## **B12. Material Litigation**

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

### **(A) In the Matter of An Arbitration Pursuant to the Arbitration Rules of the Asian International Arbitration Centre and the Arbitration Act 2005**

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

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

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

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

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

- a) As at the commencement of the arbitral proceedings, the Respondents are still conducting the assessment over the voluminous of documents submitted by CRB in support of its loss and expense claim;
- b) CRB’s request for EOT No. 6 was rejected due to such request were submitted long after the Respondents have issued the Certificate of Partial Completion (“**CPC**”);
- c) The Respondents are entitled to deduct the LAD sum due to the following reasons: -
  - i) CRB failed to complete the works on the date of completion as stipulated under the Contract;
  - ii) The LAD sum was deducted due to the said non-completion works; and
  - iii) The Certificate of Delay and EOT were issued subsequent to the commencement of the EOT period.

On 30 May 2023, the director of AIAC has appointed Tan Sri Datuk Zainun Ali as the Sole Arbitrator.

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

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

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

The appeal(s) are now pending at the Federal Court and no hearing date has been fixed yet.

**B13. Dividends**

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

**B14. Loss per share**

The following reflect the loss after taxation and weighted average number of share used in the computation of basic and diluted loss per share for the quarter ended 31 July 2023: -

	Individual Quarter		Cumulative Period	
	Current Year Quarter 31 July 2023 RM	Preceding Year Quarter 31 July 2022 RM	Current Year To Date 31 July 2023 RM	Preceding Year To Date 31 July 2022 RM
Loss net of tax, representing total comprehensive loss attributable to owners of the Company	304,509	-	304,509	-
Distribution to holders of perpetual sukuk	(3,894,568)	-	(3,894,568)	-
	<u>(3,590,059)</u>	<u>-</u>	<u>(3,590,059)</u>	<u>-</u>
Weighted average number of ordinary shares for basic earnings per shares computation	784,167,635	-	784,167,635	-
Effects of dilution - share options	3,337,709	-	3,337,709	-
Weighted average number of ordinary shares for diluted earnings per share computation	<u>787,505,344</u>	<u>-</u>	<u>787,505,344</u>	<u>-</u>