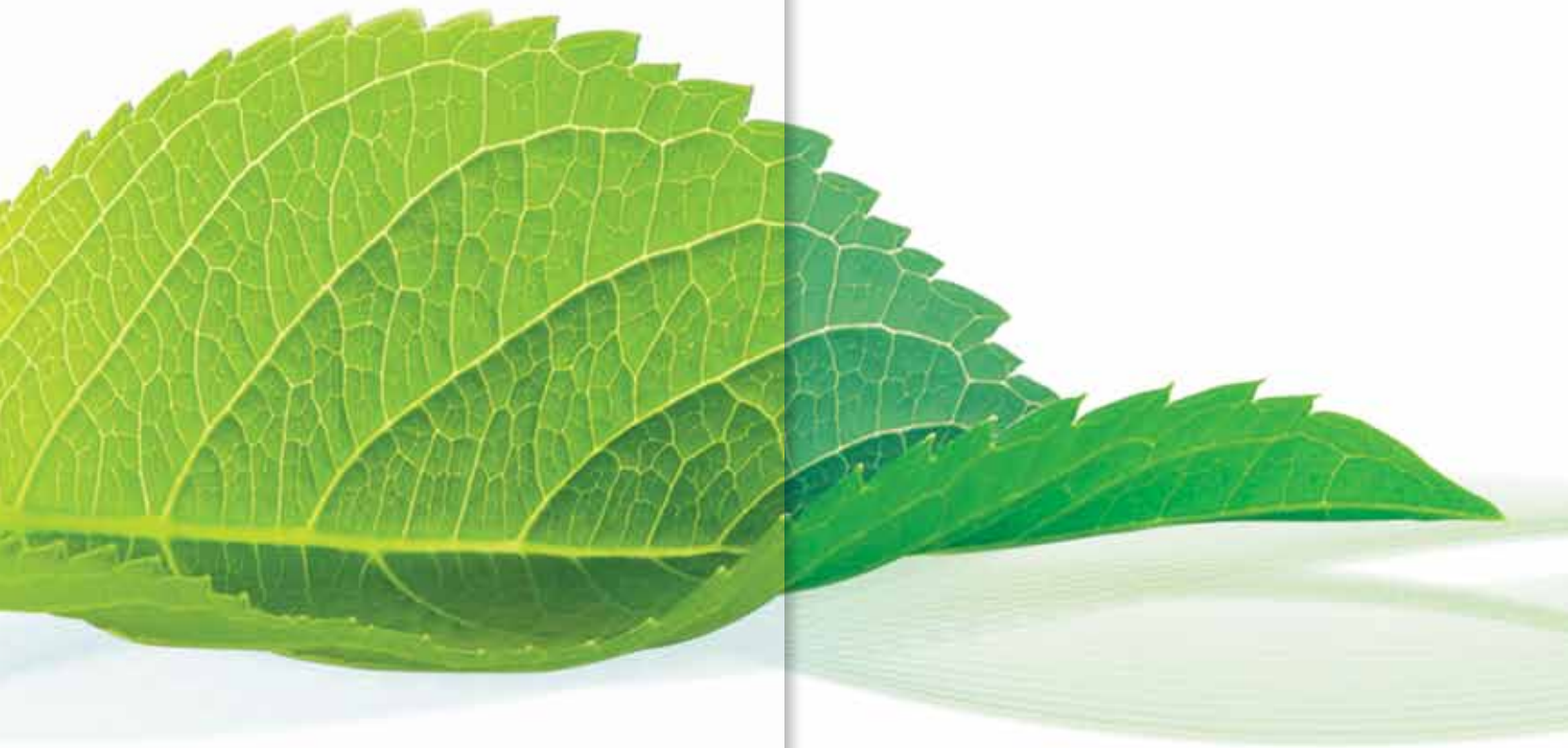




Cypark



ENERGISING A SUSTAINABLE FUTURE

ANNUAL REPORT 2018





ENERGISING A SUSTAINABLE FUTURE

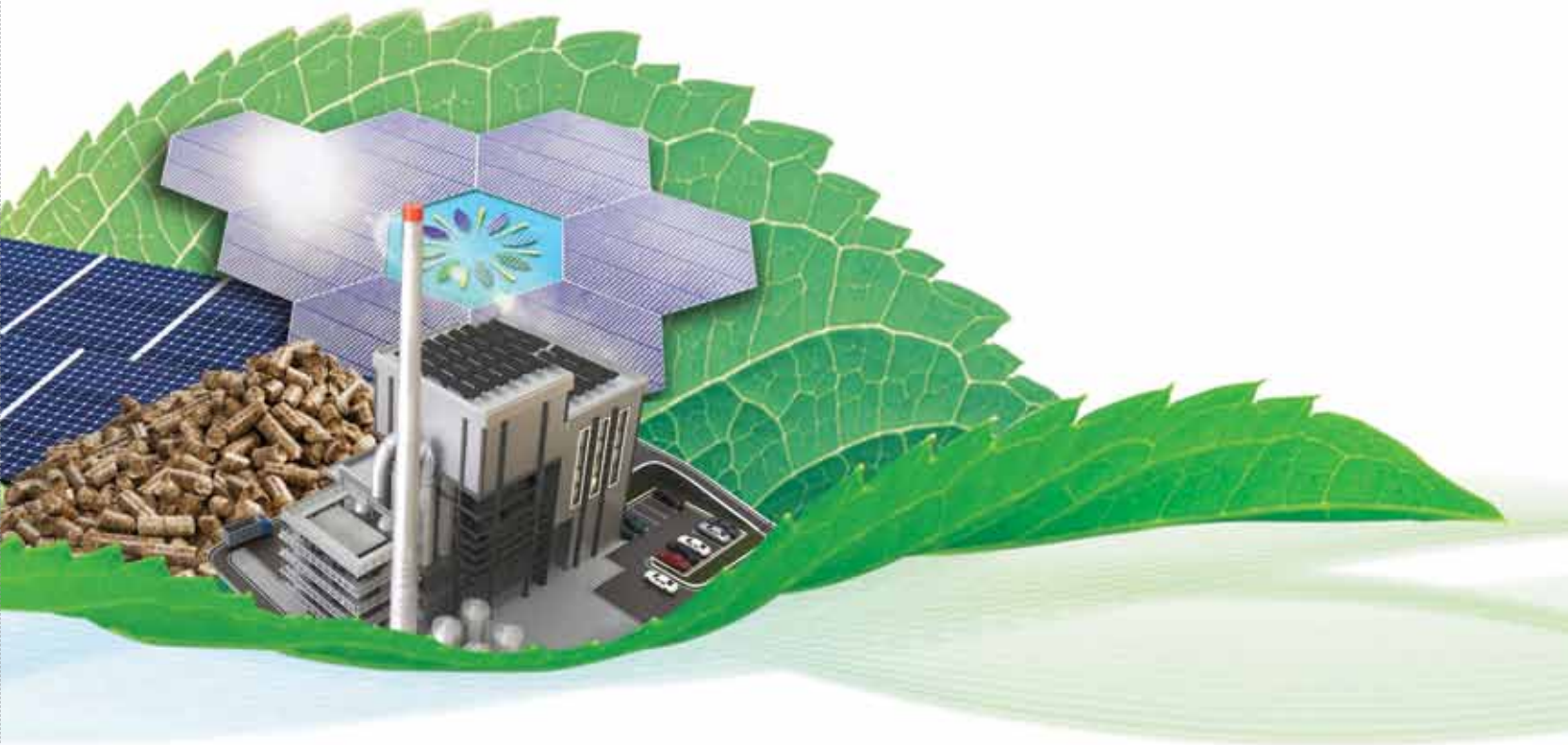
Being the nation's forerunner in green technology, renewable energy, environmental engineering and construction, Cypark Resources Berhad continues to spearhead its role in ensuring a sustainable quality living environment.

The commitment to lead the market in green energy generation, we are geared up for a better growth as we look forward in the completion of Phase 1 of our waste-to-energy (WTE) plant, which will be a key milestone for the Company.

Above all, Cypark aspires to create a sustainable future by continuing to strive for creativity, innovation and determination towards being the trailblazer in environmental technology and engineering.



Cypark



ENERGISING A SUSTAINABLE FUTURE



LOGO RATIONALE



Cypark

- Blue** – Water
- Green** – Flora and Fauna
- Orange** – Sun rays

The combination in circle denotes sustainability, balance, and progression; Cypark's goals in delivering solutions to the environment, national growth and society.



COVER RATIONALE

On this year's cover, a leaf in a moving forward direction symbolises Cypark's business journey and its evolvement since it was listed in 2010. As a whole, the leaf visualises Cypark's symbiotic relationship with the industry, working in tandem to support the Government's initiative in Renewable Energy (RE). The leaf's different shades of green embodies its journey in various aspects of environmental related business segments including environmental engineering, green technology and RE. The darker green reflects Cypark's maturing business segments in environmental technology; while the fresher light green reinforces its ambition to actively venture into renewable energy and green technology, with continuous emphasis on R&D. The inset of the company's latest project images signifies the expansion of Cypark's business areas that focused in various types of solar plants such as ground mounted, agri solar and floating solar; Waste-to-Energy power plant; and Biomass pallets.

CYPARK RESOURCES BERHAD

ANNUAL REPORT 2018

OUR REPORTING

CYPARK takes an integrated approach to its corporate communications, with the Annual Report and Accounts being a key communications document.

As outlined in the Financial Reporting Council's Guidance on the Strategic report, we consider the Strategic report to be the vehicle for communicating top-level information and key strategic messages about the Company. Our Strategic report also highlights where readers can find more detailed information about key topics.

Our annual report is also available at: <http://ir.chartnexus.com/cypark/docs/AR/2018.pdf>



STRATEGIC REPORT

An overview of our strategy and business model, and the principal risks we face, accompanied by relevant performance and operating information.

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HOW WE ARE GOVERNED

The Board of Directors and Executive Management Committees, and our approach to corporate governance and remuneration.

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Cypark At A Glance

Sanitary Landfill Receiving
Waste Capacity
1,000
Tonnes Per Day

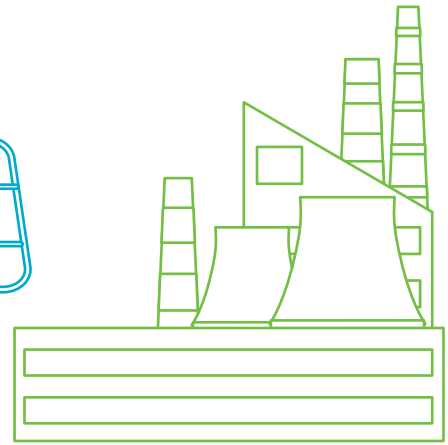
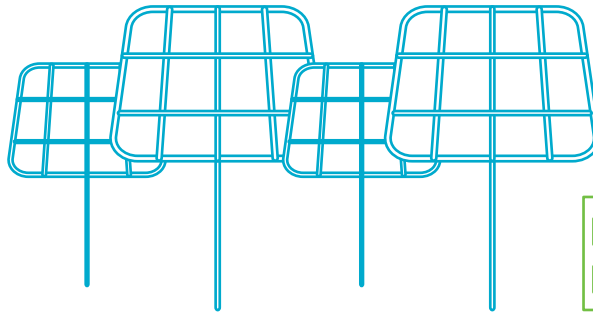
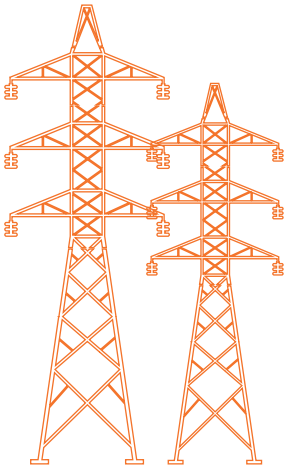
Avoidance Of Carbon Dioxide
Equivalence (Co2 Eq) From 2013-2018
152,927.34
Tonnes

Coal Fire Avoidance
From 2013-2018
27,224.40
Tonnes

Renewable Energy Generation
from 2013 to 2018
221,633.82
MWh

Capacity of Renewable Energy
from Solar Projects
31.18
MWP

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



Key Performance Highlights

REVENUE
RM337.9 M

ADJUSTED EBITDA
RM110.5 M

PROFIT AFTER TAX
RM70.4 M

NET ASSET 2018
RM647.5 M

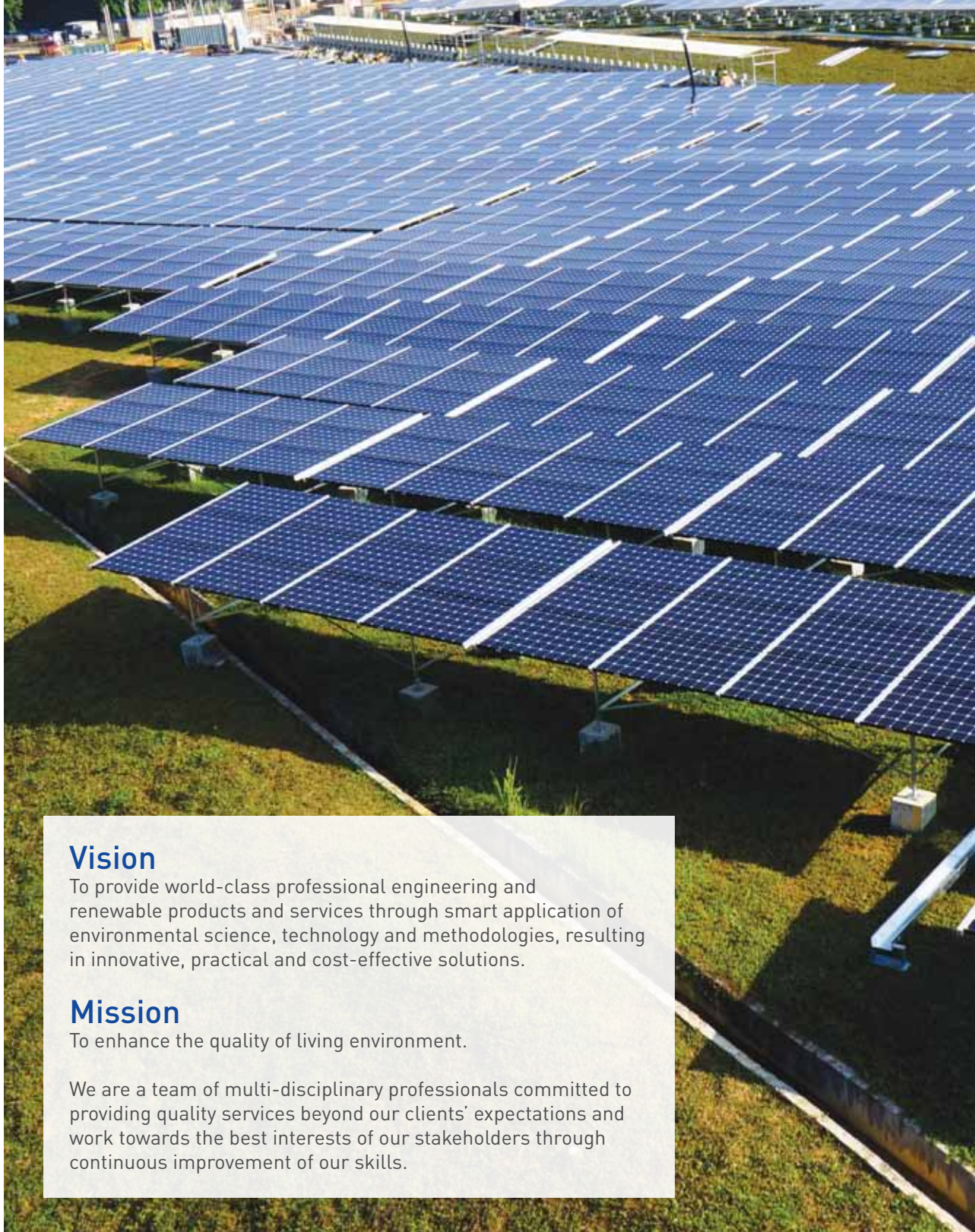
Project Highlights



1. Waste-to-Energy Plant
2. Pajam Safe Closure
3. Landfill Restoration
4. Waste Water Management
5. Artist Impression of Floating Solar
6. Landscape and Infrastructure
7. FABIOS Power Generation
8. Agriculture Integrated Photovoltaic Solar (AIPV)
9. SMART WTE Plant
10. Biomass Solid Fuel (BSF)



Our Company



Cypark Integrated Renewable Energy Park in Pajam, Negeri Sembilan is a record holder of Malaysia Book of Records 2012 for Largest Grid-Connected Solar Park (8MWp) and Most Number of Solar Panels on a Grid-Connected Solar Park (Safely Closed Landfill)

Vision

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

Mission

To enhance the quality of living environment.

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

Our Company

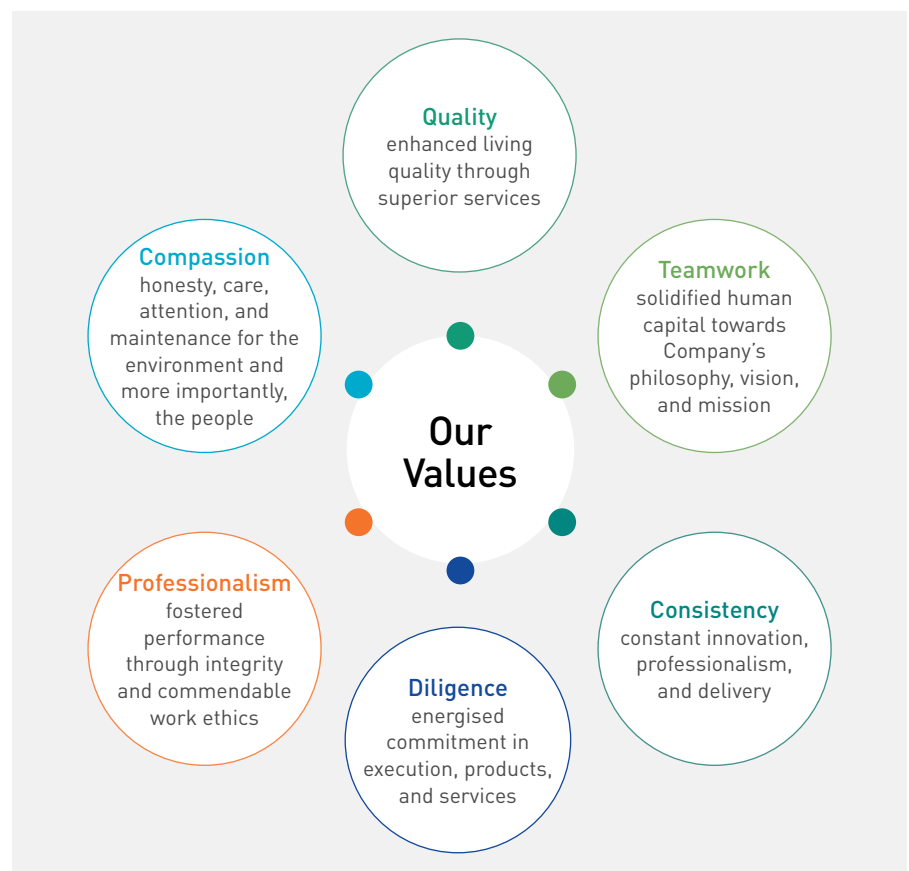


Cypark Resources Berhad is a public listed company on the Main Board of Bursa Malaysia since 2010. The company has been Malaysia's pioneering developer and provider in integrated renewable energy, green technology, environmental engineering solutions, and construction engineering.

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

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

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



Cypark Resources bags RM450m jobs to build two solar power plants

BY ARJUNA CHANDRAN SHANKAR

KUALA LUMPUR: Cypark Resources Bhd has bagged two contracts worth a combined RM450 million to build a solar photovoltaic energy-generating facility in Sik, Kedah, and another one at Empangan Terip, Negeri Sembilan.

In separate filings with Bursa Malaysia yesterday, Cypark Resources said its wholly-owned subsidiary Cypark Ref Sdn Bhd has accepted the letters of award from Viva Solar Sdn Bhd for the Sik project valued at RM225 million, and from Cypark Estuary Solar Sdn Bhd for the Empangan Terip project worth RM225 million on a turnkey basis.

Works on the two plants will commence on the date of notice issued by Viva Solar



A file pic of a solar farm managed by Cypark Resources in Pajang, Negeri Sembilan. The jobs bagged recently involve building another farm in Negeri Sembilan and one at Kedah. The Edge file photo

and Cypark Estuary Solar respectively and the time of completion is to Aug 4, 2020.

"The board of directors is of the opinion that the awards are in the best interest of

the company. The awards are expected to contribute positively to the future earnings and net assets per share of the group," said Cypark Resources.

"The awards are expected to contribute positively to the future earnings and net assets per share of the group"

Cypark Resources bags RM450m jobs to build two solar power plants, The Edge Financial Daily, 13th December 2018

Cypark secures RM225mil solar plant project in Kedah

PETALING JAYA: Cypark Resources Bhd has bagged RM225mil worth of jobs to build a solar photovoltaic energy-generating facility in Sik, Kedah.

The group said it had received a letter of award from Viva Solar Sdn Bhd.

It said the contract involved the design, engineering, procurement, construction, installation, testing and commissioning of the solar photovoltaic energy-generating facility, the solar power plant (SPP) interconnection facility, the SPP interconnector and the SPP works, with associated works on a turnkey basis.

"The board of directors of Cypark is of the opinion that the award is in the best interest of the company.

"The award is expected to contribute positively to the group's future earnings and net assets per share," it said in a filing with Bursa Malaysia.

Cypark, which has been active in the renewable energy space, saw its share price closing one sen lower to RM2.37 yesterday.

For the third quarter ended July 31, Cypark's net profit grew 16.4% to RM19.22mil from RM16.50mil a year ago. Revenue for the quarter climbed marginally to RM75.13mil compared with RM75.10mil last year.

The group attributed the bottom line improvement to higher margin contribution from its environmental engineering division and its green tech and renewable energy division.

"The group attributed the bottom line improvement to higher margin contribution from its environmental engineering division and its green tech and renewable energy division"

Cypark secured RM225 million solar plant project in Kedah, The Sun, 13th December 2018

Cypark catat untung RM21.2 juta

KUALA LUMPUR - Cypark Resources Bhd. (Cypark) mencatatkan peningkatan keuntungan sebelum cukai sebanyak RM7.1 juta kepada RM21.2 juta pada suku keempat 2017 berbanding RM14.1 juta yang direkodkan pada tempoh sama tahun sebelum.

Cypark merupakan sebuah syarikat pemaju tenaga boleh diperbaharui (RE) berpelembang dan pembekal teknologi hijau terkemuka di Malaysia.

Syarikat itu dalam satu kenyataan berkata, keuntungan selepas cukai untuk suku keempat 2017 turut meningkat dengan ketara sebanyak 80.4 peratus kepada RM18.2 juta daripada RM12.9 juta yang dicatatkan pada tempoh sama tahun 2016.

"Pertambahan keuntungan yang signifikan disumbang oleh bahagian kejuruteraan alam sekitar, bahagian penyelidikan serta bahagian teknologi hijau dan RE."

"Kami yakin prestasi kewangan yang kukuh akan diteruskan pada tahun kewangan 2018 kerana projek-projek baharu dan aktiviti perniagaan berasaskan konsep dijungki meningkatkan operasi, pertumbuhan dan perkhidmatan masa depan syarikat," katanya di sini baru-



TAMAN solar 8 megawatt milik Cypark di Pajang, Negeri Sembilan.

baru ini. Cypark berkata, keuntungan sebelum cukai pada suku semasa bagi bahagian kejuruteraan alam sekitar meningkat sebanyak 54 peratus kepada RM14.9 juta.

"Margin keuntungan lebih tinggi ini disebabkan oleh sumbangan yang lebih baik oleh projek-projek baharu yang dijalankan."

"In juga didorong oleh kejayaan langkah penjimatan kos dalam meningkatkan nilai bahagian atau produk dan perkhidmatan syarikat," ujarnya.

Sementara itu, bahagian penyelidikan bagi suku semasa turut mencatatkan hasil yang ketara dan peningkatan

keuntungan yang disumbangkan oleh kerja-kerja baharu dalam bidang kepakaran penyelidikan yang terjamin ka atas liti-logi rawatan air luts resapan sejak suku ketiga 2017.

Manakala perolehan bagi bahagian tenaga hijau dan RE meningkat sebanyak 14.7 peratus kepada RM12.8 juta, seterusnya menyumbang kepada kenaikan keuntungan sebelum cukai sebanyak 32.7 peratus kepada RM4.1 juta berbanding tempoh sama tahun sebelum.

"In disebabkan oleh penjimatan daripada kos pembiayaan projek yang lebih rendah yang dicapai oleh bahagian tersebut dalam suku semasa," jelasnya.

"Cypark mencatatkan keuntungan sebelum cukai sebanyak RM7.1 juta kepada RM21.2 juta pada suku keempat 2017 berbanding RM14.1 juta yang direkodkan pada tempoh sama tahun sebelum"

Cypark catat untung RM21.2 juta, Kosmo, 2nd January 2018



"Ladang Tanah Merah plant is expected to have full-year contribution in FY19 of about RM80 Million of revenue annually for the next 21 years, and regularly another RM25 Million of revenue annually for 21 years for the high-scale PV plant of 30MWdc in Negeri Sembilan"

Better earnings visibility prospects for Cypark, 29th January 2018

Investors Relations and Key Performance Highlights

INVESTOR RELATIONS

Cypark Resources Berhad enhances strong relations with existing and potential investors with high commitment in engaging with them including financial analyst and stakeholders through constant and proactive engagement and communications. The company develops investor relation's team to identify key investors' interests, issues and concerns, and develops best approaches and engagements in responding to the relevant interest and concerns. The team, led by the Group Chief Executive Officer and Group Chief Financial Officer,

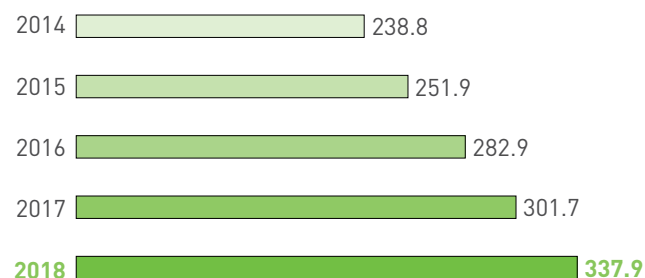
are responsible to lead, drive, and facilitate investors' relations efforts and communications to ensure greater involvement with the investment community.

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

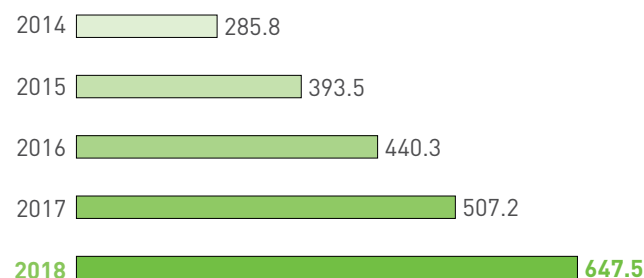
KEY PERFORMANCE HIGHLIGHTS

Financial Year	2014	2015	2016	2017	2018
Revenue	238,794,822	251,853,256	282,929,184	301,684,427	337,884,731
Net Profit	39,942,249	43,515,979	51,713,230	57,602,659	70,402,924
Net Assets	285,801,050	393,530,834	440,320,772	507,233,636	647,456,437
Basic Earnings Per Share (sen)	21.70	20.74	20.66	22.50	25.75
Net Asset Per Share	1.45	1.58	1.74	1.94	2.15

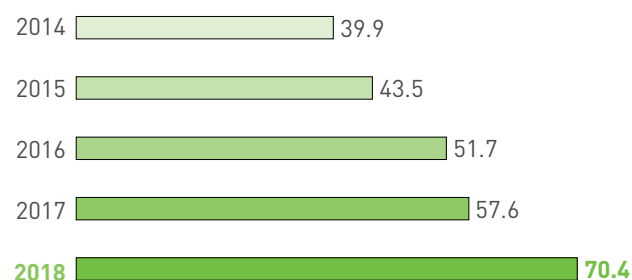
REVENUE (RM'MILLION)

RM 337.9 M


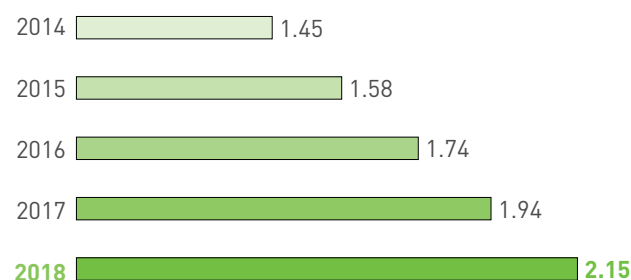
NET ASSETS (RM'MILLION)

RM 647.5 M


NET PROFIT (RM'MILLION)

RM 70.4 M


NET ASSET PER SHARE (RM)

RM 2.15


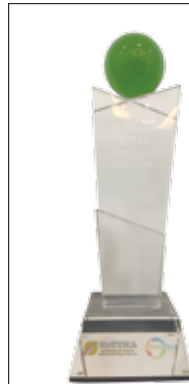
Awards & Accolades

Power & Electricity Award (Asia)



- Solar Project of the Year 2013

Asian Power Awards



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

Malaysia Book of Records



- Largest Grid-Connected Solar Park
- Most Number of Solar Panels on a Grid-Connected Solar Park (Safely Closed Landfill)

Asean Energy Awards



- Winner of the Asian Best practices for Renewable energy project award 2016
- Special Submission category of the ASEAN Best Practices 2014 Renewable Energy Project Award 2014

Finance Asia Magazine



- Asia's Best Companies 2015
- Best Small Cap Company for Malaysia

Malaysian GreenTech Awards



- Malaysia Top 30 Green Catalyst for 2014
- GreenTech Developer Award 2012 (silver)

Focus Malaysia's Best Under Billions Awards 2018



- Best Presence in Online

Corporate Information

BOARD OF DIRECTORS

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

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

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

Encik Headir bin Mahfidz
Independent Non-Executive Director

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

Datuk Abdul Malek bin Abdul Aziz
Independent Non-Executive Director

AUDIT COMMITTEE

Chairman
Dato' Dr. Freezailah bin Che Yeom

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

NOMINATION COMMITTEE

Chairman
Dato' Dr. Freezailah bin Che Yeom

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

REMUNERATION COMMITTEE

Chairman
Dato' Dr. Freezailah bin Che Yeom

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

RISK MANAGEMENT COMMITTEE

Chairman
Datuk Abdul Malek bin Abdul Aziz

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

COMPANY SECRETARIES

Chua Siew Chuan (MAICSA 0777689)
Yeow Sze Min (MAICSA 7065735)

CORPORATE OFFICE

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

REGISTERED OFFICE

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

SHARE REGISTRAR

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

PRINCIPAL BANKERS

Malayan Banking Berhad
(3813-K)
Menara Maybank
100, Jalan Tun Perak
50050 Kuala Lumpur
Tel : 03-2070 8833

OCBC Bank (Malaysia) Berhad
(295400-W)
Menara OCBC
18, Jalan Tun Perak
50050 Kuala Lumpur
Tel : 03-2034 5034

Standard Chartered Saadiq Berhad
(823437-K)
Menara Standard Chartered
30, Jalan Sultan Ismail
50250 Kuala Lumpur
Tel : 03-2117 7726

Kuwait Finance House (Malaysia) Berhad
(672174-T)
Level 26, Menara Prestige
No.1, Jalan Pinang, P.O. Box 10103
50450 Kuala Lumpur
Tel : 03-2168 0000

STOCK EXCHANGE LISTING

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

AUDITORS

MAZARS PLT (AF:0001954)
LLP0010622-LCA
Chartered Accountants
MSMQ Selangor Dredging
11th Floor, South Block
142-A, Jalan Ampang
50450 Kuala Lumpur
Tel : 03-2161 5222

Chairman's Statement



DEAR SHAREHOLDERS,

2018 has been a year of progress and forward movement for Cypark despite challenging times for the global markets. Cypark carried on to showcase a continual growth in sales and profitability for seven consecutive years, and achieved positive business targets for the year.

The government's decision to integrate Green Technology, Renewable Energy, Environment and Climate Change under one Ministry i.e the Ministry of Energy, Science, Technology, Environment and Climate Change ("MESTECC") is expected to create a symbiotic opportunity for us and enhance our effectiveness to offer the best solutions to meet the Malaysian Government's aspirations.

**TAN SRI RAZALI
BIN ISMAIL**
EXECUTIVE CHAIRMAN
NON-INDEPENDENT
EXECUTIVE DIRECTOR



Chairman's Statement



The first SMART WTE Plant in Malaysia, view from East to West

OUR PERFORMANCE

I am pleased to report to all of you that Cypark Resources Berhad continues to excel at the forefront of the market in realising Malaysia's aspiration on Cleaner Environment and Renewable Energy. 2018 has ushered in a new era to the Malaysians together with a new sense of hope to invigorate our environment for a more sustainable, greener and secure future for many generations to come.

In 2018, Cypark continues to demonstrate a consistent growth trend in revenue and profitability since its listing. All Cypark's business segments, namely renewable energy ("RE"); green technology ("GreenTech"); environmental engineering ("EE") and solutions; and construction engineering have shown solid growths compared to the same period last year.

The strong result in 2018 was attributed by several key projects such as Waste-to-Energy ("WTE") and Large Scale Solar ("LSS") Engineering, Procurement,

Construction and Commissioning ("EPCC") among others. While RE and EE continued to be the main contributors to Cypark's earning, GreenTech has also shown commendable improvement due to market growth and better cost management. The Construction segment in the meantime has reaped the yield from better expenses optimisation which greatly improved its profitability. Cypark has also won two new LSS2 EPCC contracts in 2018, which will contribute positively in the immediate future.

Cypark further enhanced its effort to improve its operational efficiency. One area that it has been working on is to optimise its funding structure and cost of capital. In this aspect, Cypark is diligently evaluating opportunity to tap the Syariah compliance debt capital market to finance its future expansion especially for the LSS programme. In this note, Cypark is in its final stage of embarking on a Sukuk programme as a mode to enhance its capital cost and improving profitability. The issuance

of the Sukuk will also complement the Malaysian Government objective to enhance Malaysia's position as the premier Shariah based capital market. The Sukuk is still in the issuance process subject to final approvals from the relevant authorities.

Cypark's transformation programme and continuous dedication to research and development has started to bear positive results as the company has been viewed favourably by the market as a total environmental solution provider. Though still in early days of its transformation, Cypark has clearly shown to the domestic market that it has the necessary depth and expertise as the technology pioneer and cost leader in RE as demonstrated in the recent EPCC tender bid exercises.

From the transformation programme, the key success factors for Cypark can be attributed to three (3) underlying factors namely more attractive government policies on RE, continued development of more affordable and efficient green

technology globally, and dynamic market mechanism.

The industry generally, and Cypark specifically, is very encouraged by the MESTECC's commitment to achieve a 20% Renewable Energy target, which currently stood at 2%. The decision by the government to review and discontinue some of the fossil fuels based proposed power plants and to build 1410 MW new capacity of RE under Net Energy Metering ("NEM") scheme, new LSS3 and other RE (mainly hydro, biogas and biomass) allocation, has given a strong direction where the future of Malaysia's energy business lies. RE technology has become more competitive and ready to play a bigger role within the energy industry in near future.

The initiatives shown by the Malaysian Government are in line with Cypark's business focus areas under its continuous transformation programme. Cypark's model of harnessing the economic benefits from Malaysia's abundant, green and renewable natural resources especially solar, is complementing the effort by MESTECC. Cypark's offerings under its Environmental Engineering, Renewable Energy and Green Technology are seen as holistic solutions, and considered as a win-win approach for the stakeholders mainly the shareholders, the Government and the general Malaysian energy consumers.

“Change will not come if we wait for some other person or some other time. We are the ones we've been waiting for. We are the change that we seek.”

Barack Obama

Clean and renewable energy continue to become the choice for powering up the world economies due to its environmentally friendly features

compared to the traditional fossil fuel. According to IRENA 2018 Renewable Capacity Statistics Report, RE has shown a generation growth of 8.3% per annum and has generated 2,197 GW of energy worldwide. Estimated 64% of new RE is installed in the Asia region. This would mean potential strong economic and job opportunity from RE in the Asia region.

OUR PROSPECTS

Rapid advancement in technology has delivered lower RE development cost which has resulted in RE tariff continue to show a downward trend and thus making it more appealing to the world market. Cypark is supporting such effort via offering innovative and out of the box solutions to the market with the aim of realising such aspiration. In Malaysia, Cypark is considered among the few pioneers in introducing technologies such as Agri Integrated Solar, Floating Solar, Biomass Pallet and WTE. Cypark's technological ingenuity has also made possible to use remediated land for productive use such as constructing solar plant on ex-landfill area, thus making the RE cost further affordable.

The changes in the market dynamics has further enhanced Cypark's market prospect. The requirement for RE to be bidded under an open tender system warrants a fair and level industry landscape, thus ensuring that consumers will enjoy the most competitive tariff. In this regard, Cypark has clearly shown that it has become among the most competitive industry players in the RE segment – looking at favourable results from the two LSS EPCC contracts acquired recently. The introduction of Green Financing Initiatives such as Green Sukuk by the Securities Commission of Malaysia has further fuelled the growth of RE and Green Technology in Malaysia.

Cypark is committed to upholding the principles of integrity, transparency and accountability to safeguard and

maintain our business reputation and the interests of all our stakeholders. To achieve this, the company continues to adopt and implement good corporate governance practices.

“The Nation that lead in Renewable Energy will be the nation that leads the world.”

James Cameron

Furthermore, I strongly believe that the growth of green technology and RE Globally will continue at much more stronger pace. Bloomberg in its 2018 market report forecasted that EV vehicles will increase from 1.1 million vehicles in 2017 to at least 30 million by 2030. IRENA in 2018 forecasted RE generation will have a double digit growth up to 2050, with solar is expected to have the biggest growth.

Moving ahead, with the above development, 2019 would also usher in plenty of opportunity for Cypark to augment its position as the market leader in Malaysian RE and green technology. Apart from the recently announced NEM and LSS3 initiatives, which Cypark is confident to potentially secure a fair market share, it shall continue to actively pursue other opportunities especially in the biogas and biomass. Cypark has already created an initial foothold in these two RE segments with its plants in Perak where we believe this could be a catalyst for Cypark's future growth. At global presence, Cypark shall also continue to further refine its business model in order to excel in other markets that it has been actively exploring such as Singapore, Vietnam and Thailand.

Cypark will continue to strengthen its collaboration with existing partners and forge collaboration with new global partners in order to further improve the company's long term objective. The company believes that with the

Chairman’s Statement

industry progressing more maturely, it shall face a natural evolution of industry consolidation. This process would create an opportunity in terms of value realisation exercise and potential inorganic expansion which would create value for all the relevant stakeholders and to ensure Cypark to remain relevant and competitive in the future. Barring any unforeseen circumstances, Cypark is optimistic that its performance will be favourable for the financial year ending 31 October 2019.

“The clear and present danger of climate change means we cannot burn our way to prosperity. We already rely too heavily on fossil fuels. We need to find a new, sustainable path to the future we want. We need a clean industrial revolution.”

Ban Ki-moon

ACKNOWLEDGEMENTS

On behalf of the Board of Directors, I wish to express my heartfelt appreciation to Cypark’s staff for their continuous endeavours and exemplary involvements throughout FY2018. Their profound contribution is the crucial factor for the persistent progress of the company. On top of that, I would like to convey my highest gratitude to the esteemed Senior Management team for their perspicacious leadership and excellent execution which are paramount for the company’s stability.

Similarly, we wish to acknowledge our shareholders for their unwavering confidence as well as our bankers and business partners for their perpetual patronage and supports. Last but not foremost, I wish to commend my fellow Board members for their counsels and keen participation in the various Board Committees during FY2018.

With that being said, let us together take this Company to greater height and embrace better prospects in FY2019.

TAN SRI RAZALI BIN ISMAIL

CHAIRMAN



»»» Cypark biomass solid fuels project in Kg Gajah, Perak

Management Discussion and Analysis



»»» *SMART WTE Plant in Ladang Tanah Merah, Negeri Sembilan*

COMPANY OVERVIEW AND STRATEGY

Cypark Resources Berhad is the leading developer and solutions provider in environmental technology. Cypark focuses on four (4) main business segments: renewable energy; green technology; environmental engineering and solutions; and construction engineering. Strategically, Cypark has its focus on continuous research and development (“R&D”) in ensuring that the solutions are relevant, creative, and innovative to the needs, objectives, and aspirations of the clients.

In 2018, the improved performance of the company is based on the three (3) key success factors of Cypark; namely accommodative government policy, expanding green technology offering and conducive market dynamics. The

company has proven that it is able to adapt to the policy and market changes and thus, devise its relevant business strategy and offerings accordingly. Cypark’s green technology continues to evolve through strong R&D and offering comprehensive, efficient and competitive solutions. The Company has continuously invested in R&D to ensure efficiency in its operations and management towards reducing costs and enhancing productivity. Through R&D, Cypark is better able to manage and utilise the abundance of natural resources via more innovative and creative means, which ultimately result in better efficiency in project construction, management and operations. These elements have strengthened Cypark’s position as a leading player in the industry and raised our competitive ability to bid and secure

contracts. This is proven when Cypark has successfully secured Large Scale Solar (“LSS”) projects as a result of its cost effective strategy as a market leader in RE/Solar cost in Malaysia and among the lowest in South East Asia. Nevertheless, Cypark has become the leader in developing and operating of the first Waste-to-Energy (“WTE”) plant in Malaysia.

The strategic dynamics mentioned have enabled Cypark to register an improving financial performance reflected in stronger revenues and profits. Equally important, the Group continues to shift from short / medium-term contract based revenue to long term, concession-generated income. This further bolsters the Group’s business fundamentals and prospects in the future.

Management Discussion and Analysis

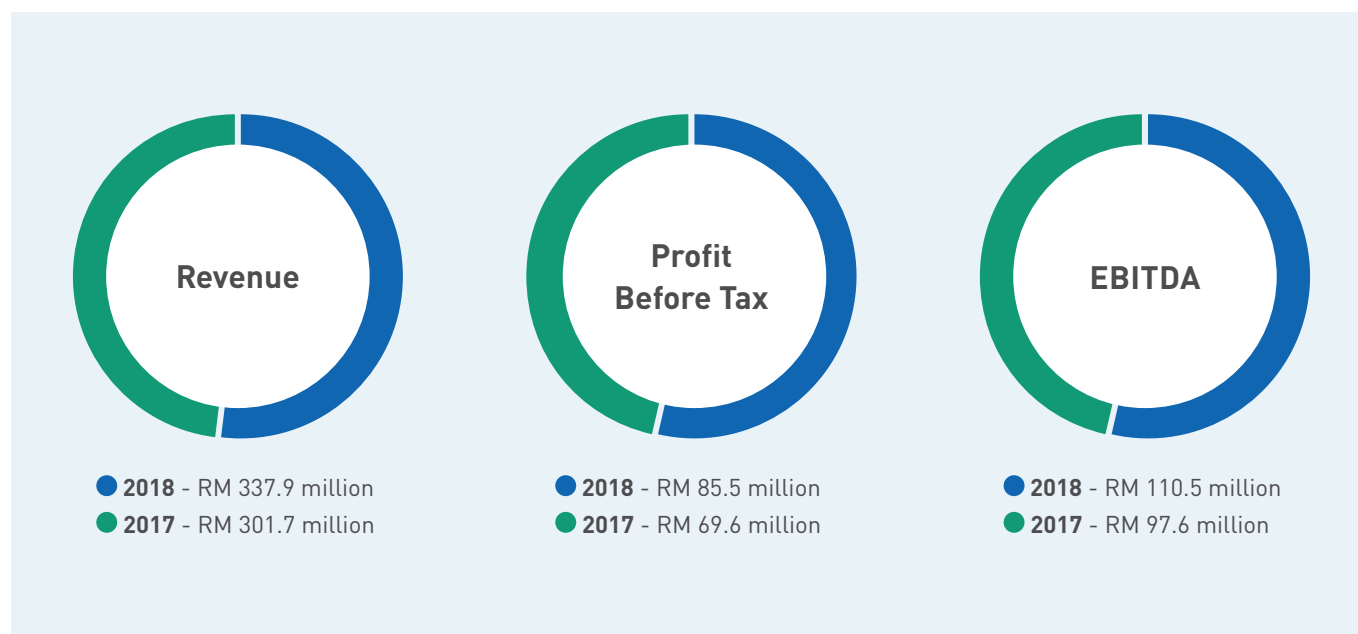
FINANCIAL PERFORMANCE

The Group has continued to register robust financial performance for FY2018 with encouraging growth achieved for both revenue and earnings.

KEY PERFORMANCE HIGHLIGHT

	2014	2015	2016	2017	2018
Turnover / Revenue	238,794,822	251,853,256	282,929,184	301,684,427	337,884,731
Profit Before Tax	42,998,628	50,871,947	60,079,665	69,589,814	85,459,376
EBITDA/Adjusted EBITDA	69,109,856	75,895,217	82,413,687	97,565,686	110,535,698
Finance Costs	14,911,130	13,064,182	11,809,458	11,795,017	10,503,822
Net Profit	39,942,249	43,515,979	51,713,230	57,602,659	70,402,924
Shareholder`s Equity	285,801,050	393,530,834	440,320,772	507,233,636	647,456,437
Total Assets	762,427,100	892,335,633	1,093,087,884	1,316,705,331	1,513,532,507
Borrowings	345,070,917	318,432,852	443,071,008	567,670,558	609,087,565
Cash & Bank Balance	87,085,577	101,467,139	113,364,178	108,511,739	91,598,703
Net Debt	257,985,340	216,965,713	329,706,830	459,158,819	517,488,862
Net Debt / Equity %	90%	55%	75%	91%	80%
Basic Earnings Per Share (sen)	21.70	20.74	20.66	22.50	25.75
Net Asset Per Share	1.45	1.58	1.74	1.94	2.15
Dividend Per Share (sen)	5.0	5.0	5.0	5.2	5.6

For the financial year under review ("FYE 2018"), the Group recorded a revenue of RM337.9 million as compared to RM301.7 million in the financial year ended 2017 ("FYE 2017"), which represents an increase of RM36.2 million or 12.0%. The increase in revenue was mainly contributed by the various new projects secured during the financial year, such as EPCC contract for the LSS1.





➤➤➤ *YB Tuan Teo Kok Seng, Chairman of The Urban Wellbeing Committee, Local Government Housing and Kampung Baru visited the 3MW Cypark Solar Farm in Jelebu, Negeri Sembilan*

The adjusted earnings before interest, taxes, depreciation and amortisation (“EBITDA”) of the Group for the FYE 2018, have shown a commendable increase by 13.2% or RM12.9 million to RM110.5 million as compared to RM97.6 million as recorded in the FYE 2017. The strong performance in EBITDA was mainly contributed by the business segments of Environmental Engineering and Landscaping & Infrastructure. The Green Tech & Renewable Energy division also showed a commendable performance compared to the previous year due to a better cost management.

The profit after tax of the Group for the FYE 2018 increased significantly by RM12.8 million or 22.2% to RM70.4 million from RM57.6 million as recorded in FYE 2017. This was mainly due to:-

- a) Administrative expense recorded in FYE 2017 was significantly higher due to the recognition of accounting expenses on the grant of Employee Share Options (“ESOS”) of RM5.2 million; and
- b) Continuous saving achieved in finance costs by the Group, particularly for the Green Tech & Renewable Energy segment.

Moving forward, the group shall continue to optimise its operational cost and financing cost structure in order to ensure strong profitability growth for the group.

ASSETS & LIABILITIES

The Group’s total assets as at the end of the FYE 2018 rose by 15.0% to RM1,513.5 million as compared to RM1,316.7 million recorded in the FYE 2017. In our

effort to increase revenue generating asset, the Group’s total liabilities as at the end of the FYE 2018, increased to RM866.1 million from RM809.5 million as recorded in the FYE 2017. These liabilities are incurred for future revenue generating assets such as WTE plant. The strong robust growth in assets was underpinned by the growth in both non-current and current assets, mainly due to:-

- a) Increase in the continuous work performed for the WTE project at Ladang Tanah Merah which was reflected in the increase in intangible assets recognized in accounts pursuant to Interpretation 12 Service Concession Arrangements; and
- b) Increase in trade receivables for the turnkey works executed from the new projects secured

Management Discussion and Analysis

The total borrowings of the Group increased to RM609.1 million from RM567.7 million due to the disbursement of the long term bank loans to fund the waste-to-energy project, which is expected to generate long term concessionaire income for a period of 25 years, most likely to commence by the mid of next financial year.

The borrowings are to fund projects that will ultimately generate long-term recurring income for Cypark. This includes the generation of long term concessionaire income. Management is of the view that the Group's borrowings are to be viewed positively in funding Cypark's continued robust growth; and wishes to iterate that our present cash position and income is more than sufficient to meet working capital requirements and to service our debt commitments.

SHARE CAPITAL

The share capital increased by RM85.9 million from RM288.7 million in FYE 2017 to RM374.6 million for the FYE 2018. The increase was mainly due to the following reasons:-

- a) Issuance of 4,727,700 new shares at an issue price of RM2.18 per share pursuant to Dividend Reinvestment Scheme ("DRS") of RM10.3 million;
- b) Issuance of 5,354,500 new shares at an exercise price of RM2.12 per share pursuant to the exercise of options under the ESOS of RM12.6 million and
- c) Issuance of 20,523,000 new shares at an exercise price of RM2.18 per share and 8,214,000 new shares at an exercise price of RM2.28 per share pursuant to the Private Placement of RM63.5 million.

On 21 December 2018, the issued share capital of the Company increased to RM387,435,200.00 comprising 458,007,553 ordinary share in the Company ("CRB Shares") by way of bonus issue of 152,669,181 new CRB Shares. The new CRB shares rank pari passu in all aspects with the then existing ordinary shares of the Company.

From November 2017 until October 2018, the market capitalisation of Cypark remains relatively stable between RM678 million to RM760 million despite the challenging and volatile year for Bursa Malaysia and the global equity market.

DIVIDEND

During the FYE 2018, a single tier dividend of 5.6 sen per share on 264,843,672 ordinary shares amounting to RM14,831,246.00 was paid on 28 June 2018. A total of 4,727,700.00 unit of ordinary shares were issued on 28 June 2018, at an issue price of RM2.18 per share under the DRS and the remaining portion of RM4,524,860.00 was paid in cash on the same day.

The dividend payout for FY2018 is consistent with the Group's policy to return no less than 25% of net profits to shareholders, provided such a payout does not impact our operating cash flow as well as business development plans.

	2012	2013	2014	2015	2016	2017
Net Profit	25,578,401	35,924,431	39,942,249	43,515,979	51,713,230	57,602,659
Total Dividend Paid	6,426,060	9,212,534	10,066,428	12,433,564	13,265,432	14,831,246
Dividend Per Share (sen)	4.00	5.00	5.00	5.00	5.20	5.60
Dividend Net Profit (%)	25	26	25	29	26	26
Payment Date	13-Jun-13	19-Jun-14	19-Jun-15	14-Jun-16	22-Jun-17	28-Jun-18



8MWac of ground mounted solar farm in Ladang Tanah Merah, Port Dickson, Negeri Sembilan

At the forthcoming Annual General Meeting, a single tier dividend in respect of the financial year ended 31 October 2018 of 3.9 cent per share on 458,007,553 ordinary shares, amounting to a dividend payable of RM17,862,295.00 will be proposed for shareholders' approval. The Board has also resolved to propose that the shareholders be given an option to elect to reinvest the whole or part of the proposed final dividend into new ordinary shares in accordance with the DRS, approved by the shareholders at the CRB's Tenth (10th) Annual General Meeting held on 21 April 2015.

KNOWN TRENDS AND EVENTS

FY2018 has been a year of continued progress for Cypark and Malaysia's RE sector. With government policies providing greater impetus, supported by a clear roadmap and well defined targets for RE generation, all players in the industry, Cypark included, now are in better position to benefit from this. The target to have 20% RE in terms of installed capacity by 2025 is an achievable target, which would spur further economic

benefits in the next four (4) to five (5) years in Malaysia RE scene.

External factors also supported greater focus on GreenTech and RE. The continuing downward trends for solar panels and related equipment prices have worked in favour to many renewable energy producers in Malaysia and the region.

However, FY2018, also saw its fair share of challenges. Market liquidity and financing remained tight with the financial sector continuing to be very cautious on project financing. Despite this, Cypark has managed to attain strong financing support from local banks and institutions to fund its projects. Currently, Cypark is in the midst of tapping the Sukuk market to further improve its financing structure and cost.

As we have previously established ourselves as the market and cost leader in RE with projects secured under the initial LSS programme, in FY2018, Cypark has once again succeeded in

clinching three projects under the LSS2 initiative, which includes potentially Malaysia largest floating solar plants. All the three projects are expected to contribute significantly towards its revenue and bottom line from 2019 onwards.

We are pleased to report that ongoing works on our LSS1 project, secured in the previous financial year progress, are well on track as expected. Our 3MW Jelebu and 11MW Ladang Tanah Merah Solar Farm in Port Dickson will forward to commercial operation date ("COD") by March 2019. On a separate note, Management also wishes to highlight that its first 50-acre WTE plant in LTM with a 20MW power output capacity is in final stage of construction and shall be expected to COD by June 2019.

With the completion of both LSS1 and LSS2 projects as well as the WTE, Cypark will manage/operate a combine capacity of 231MW from the existing 31MW by end FY2020. Going forward, the WTE is expected to increase further in the future.

Management Discussion and Analysis

RECOGNISED FOR INDUSTRY EXCELLENCE AND INNOVATION

The Group is pleased to report that our continued efforts in FY2018 have earned the recognition and acknowledgement from our industry peers as well as other stakeholders. Management is happy to share that Cypark has been honoured with the following awards in 2018.

- Asian Power Awards
- Innovative Power Technology of the Year – Malaysia 2018
- Environmental Upgrade of the Year – Malaysia 2018
- Solar Power Project of the Year – Malaysia 2018



- »»» Cypark was awarded with "The Best in Online Presence" from Focus Malaysia Best Under Billion Awards (BUBA) at the KL Hilton



- »»» Cypark was awarded with three [3] categories in 14th Asian Power Awards held in The Ritz-Carlton, Mega Kuningan at Jakarta, Indonesia

BUSINESS RISKS

The Group remains cognisant of the various businesses, financial and operational risks that we are facing and hence, have adopted adequate measures to manage and mitigate these risks. The Group's response to risk is reflected in its triple defence line mechanism, robust internal controls and the development of a risk register that is periodically updated.

Matters of risk are given Board oversight via the Risk Management Committee, supported by the Audit Committee and the team of external and internal auditors. For more details on the Group's response to risk matters, kindly refer to the Statement of Risk Management and Internal Control ("SORMIC"), provided in this annual report.

OUTLOOK & PROSPECTS

We continue to see bright prospects for Cypark and the RE sector going into FY2019. One of the key drivers is the aggressive stance taken by the Malaysia government, which has set a clear target of 20% of the nation's power to be generated from RE sources by 2025. Presently, only about 2% of the nation's energy needs is met by RE. In meeting this target, Malaysia needs to ramp up production by an estimated additional 6,000 MW of RE capacity.

Given the large gap, there are plenty of opportunities for RE players moving forward. The Government is also aware of this gap and has recently announced an open tender system for an estimated RM2 billion worth of projects under the third cycle of the LSS ("LSS 3"). On its own, the LSS3 is targeted to deliver 500MW of electricity generation capacity. Together with the LSS1 and LSS2, the entire LSS scheme is expected to deliver 25% of RE target by 2020. The 500 MW allocations under the Net Energy



»»» *View of Waste-to-Energy plant from East to West in Ladang Tanah Merah, Port Dickson, Negeri Sembilan*

Metering (“NEM”) initiatives would also be an opportunity for Cypark to tap.

Given our existing good track record in bidding and securing projects under LSS as well as for successful completion and commencement of operations, we are quietly confident of our prospects to enter competitive bids and to secure contracts under LSS3.

Certainly, many emerging opportunities come with numerous businesses and operational challenges. The regulatory environment remains nebulous with further direction needed. Towards this end, we will continue to engage the government and regulatory authorities in streamlining approvals and other processes. There are more works that need to be done towards the realisation of a robust, comprehensive and well

defined regulatory environment for the local industry.

With several successful projects in Malaysia, we will also explore RE and WTE opportunities within ASEAN, especially in the focus area of Shared Energy in ASEAN countries such as Thailand, Vietnam and Singapore. However, given the different regulatory environments and the varying stages of growth of the respective sectors in neighbouring countries, we will tread cautiously and undertake all due diligence before submitting bids for overseas contracts. It is likely that we will penetrate foreign markets by working with local partners who have a better understanding of the local playing field.

All in all, we foresee FY2019 to being a comparable year to the present financial

year in terms of growth. We will continue to enhance our resources in research and development to generate continuous innovations and creativity as a solution provider in environmental engineering, green technology, and renewable energy.



»»» *First Malaysia largest floating solar plant in Negeri Sembilan*

Sustainability Statement



Sustainability Statement



At Cypark, ensuring business sustainability and responsible management of natural resources for the holistic wellbeing of the society are an essential part of our business. It is ingrained in our company's policies and is inextricably linked with our business strategy, decisions making and operational execution.

As we move forward to enhance our position as among the renewable energy market leaders, we will ensure what matters most to us in ensuring a better and brighter future for all shall continue to be our main prerogative. The Company is actively developing renewable energy, green technology, and environmental engineering projects which involve an interlocutors and rational use of local resources.

We emphasise the implementation and execution of methodologies that are based on the least environmental impact in terms of carbon emission by utilising and focusing our R&D on cleaner and more environmental friendly technologies. At the same time, we focus on the socio economics enhancement of the society by implementing projects that are economically sustainable, enhances energy output/recovery, maximising the use of unproductive resources and reduce wastage via Cypark's successful ventures into floating solar technology and the use of world renowned Waste-to-Energy technology.

SUSTAINABILITY GOVERNANCE

The Board of Directors continues to provide oversight on sustainability matters within the Group. The Board's role is to drive the continued integration of financial goals, business strategy and business model with environmental and social sustainability considerations. The Board is closely supported by Senior Management, who is responsible for executing the sustainability related plans and strategies as well providing updates on the effectiveness of initiatives undertaken during the year.

Sustainability Statement

STAKEHOLDER ENGAGEMENT

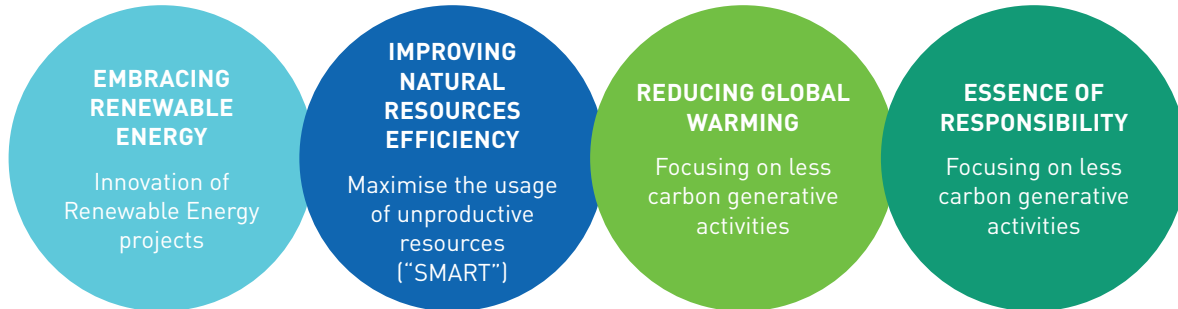
As part of its sustainability process, especially in determining key matters that are important for the company and its environment, Cypark continues to actively engage various stakeholders. This enables Cypark to be more encompassing and able to capture varied and even differing viewpoints that serve to further refine our sustainability related concerns and materiality matters.

STAKEHOLDER	ENGAGEMENT METHOD	RESULTS / OUTCOMES
EMPLOYEES	<ul style="list-style-type: none"> • Corporate events • Meetings and gatherings • Trade events • Staff training 	Enhanced employer-employee relationships, improved employee morale and satisfaction with their workplace, higher employee retention levels, better employee understanding of the Group's businesses, improved communication among employees and cultivation of esprit de corps.
INVESTORS / SHAREHOLDERS	<ul style="list-style-type: none"> • One-to-one engagement • Company announcement • Financial results announcement • Circulars • Annual General Meeting (AGM) • Quarterly Analyst Briefing • Participation in Investor Relations events 	Improved communication and relationships with shareholders and the general investment community which result in continued confidence in the Group's share performance, enhanced stability in company's share price, building trust towards the company and elevate image and reputation of the Company.
GOVERNMENT	<ul style="list-style-type: none"> • Meetings, dialogues sessions and briefings • Official visits • Outreach programmes • Participation in ministry events, sponsored events 	Higher mutual understanding in government's mandates and regulatory policies, that resulted in better formulation of Cypark's business strategies and directions, enhancing the image and the standing of the company via its supports for government's and regulatory bodies initiatives/events.
LOCAL COMMUNITIES / NGOs	<ul style="list-style-type: none"> • Involvement in community focused programmes • Involvement in corporate events • Organising CSR activities • Foster strong relations with related NGOs 	Stronger community branding for Cypark, constantly improving corporate branding as a caring and responsible citizen that delivers a positive impact on society. Ensures that we remain aligned with the development of the society, human capital and sustainable environment.
MEDIA	<ul style="list-style-type: none"> • Press conference • General press/media releases • One-to-one media engagements • Dialogues session with Media • Invitation of media in corporate events 	Stronger media awareness and relations towards the Cypark brand and a better understanding of our business operations. Accordingly, higher media supports will generate a higher positive media publicity and public relations value for the company's corporate image, thus increased investors' confidence level.
INDUSTRY	<ul style="list-style-type: none"> • Involvement in meetings, dialogues sessions and briefings • Organising official visits • Participation in sponsored events and corporate events such as Conference of Electric Power Supply Industry (CEPSI) 2018 International GreenTech and Eco Products Exhibition & Conference Malaysia - IGEM2018 	Opportunities to share our success stories as well as innovations and ideas. Serves as platforms to explore potential joint venture partners, acquire new technology and strategic alliances.



MARKETPLACE

Cypark sustainable business model considers sustainability and innovation as an inseparable pairing, which creates integrated value for the Company and its stakeholders. The pairing allows the Company more capacity to materialise opportunity. Our business model is premised on the following focus areas:



EMBRACING RENEWABLE ENERGY ("RE")

- Show commitment towards development of Malaysia's RE in improving the industry's prospect and growth potential through constant advocacy for the RE usage in Malaysia.
- Highly supportive of the government's initiatives to help promote and accelerate the development of RE in the country and to ensure that the ambition of being a Greener and Cleaner nation being realised.
- Innovation in building RE initiative such as building the first Cypark floating solar in Malaysia on water reservoir.

IMPROVING NATURAL RESOURCES EFFICIENCY

- Utilisation of non-productive land at project sites such as develop solar park on landfill and Floating Solar in reservoir area.
- Integration of scientific land remediation as part of the RE project plants.
- Identification of other potential co-economic activities that can run parallel with RE projects such as Agriculture Integrated Photovoltaic (AIPV) solar farm.
- Utilisation of more efficient technology such as incorporating latest waste management technology in the first SMART WTE plant in Ladang Tanah Merah, Negeri Sembilan.

REDUCING GLOBAL WARMING

- Focusing on projects which reduce release of GHG or any other form of emissions that will result in reduce of risk further aggravating the existing climate change phenomenon in the future.
- Utilisation of biomass and biogas as feed stock for energy generation to reduce the release of GHG and carbon emission (from usage of fossils based fuels) to the environment.
- Reduces carbon emission by converting unproductive land to generate energy such as building solar on landfill space.
- Avoidance of activities that increase GHG release to the environment, such as tree cutting and clearing the hill.
- Encourage "3R" principle in our business process.

ESSENCE OF RESPONSIBILITY

- Best practices which comply to law and regulations.
- Promote awareness to other stakeholders and public on best waste management practices such as waste management technologies.
- Energy efficiency in our internal consumption of energy.
- Establishment of carbon footprint initiatives.

Sustainability Statement



WORKPLACE

Cypark is driven to pursue its commitment in creating a dynamic workplace that able to emphasise the need to attract, retain and develop our talent as an inherent component of maintaining sustainability. Our human capital remains a key competitive asset, perhaps more so going forward.

The Group prides itself in having a diverse, multi-cultural workforce consisting of competent industry professionals, including steering talents. Both genders are well represented at all levels of the Group, comprising management and at Board level.

STAFF RECRUITMENT

In FY2018, we have continued to see our workforce grow with 33 new hires –offsetting our staff attrition rate of 21 employees. The nett addition increases our total workforce by 10% to 12 employees.

Of the staff hired, nine (9) were women as we continue to provide women with equal employment opportunities in line our values to be an equitable employer that recruits, retains and rewards staff based purely on merit and professional contribution and capabilities.

POTENTIAL DEVELOPMENT

Cypark believes that our people need to be developed, challenged and nurtured to be motivated in delivering the Company’s business goals. Cypark has grown steadily in the past and will grow even more rapidly in 2019 in line with the new Government’s aspiration in Renewable Energy and Greener Malaysia. Henceforth, we want the Cypark’s community also to grow with us so that they are able to keep pace and adapt with the advancement of the technology and new challenges.

In FY2018, over 112 staff – 78% of our workforce attended various training engagements pertaining to the following: technical skills, compliance awareness, product knowledge, human resources, health, safety, security & environment, soft skills, leadership skills and finance.

The total training budget for FY2018 was RM170,000 with the average spend on employees for training at RM745. The number of average training hours per staff stands at 2.93 hours. Training comprise both internal and external courses.

HEALTH & SAFETY

We continue to place emphasis on maintaining a safe work environment. In achieving Cypark’s ultimate goal of Zero Harmful Incident, safety is a key element of our organisational culture where we take pride in our strong track of record by earning a cumulative record of 876,494 man-hours without a loss time incident (“LTI”).

The Group continues to inculcate a strong HSE mindset and culture within the organisation, in particular for those working onsite. This embraces weekly safety toolbox briefings at construction sites, site inspections by senior management along with various internal and external training programmes.

The Group has launched various HSSE campaigns using company communication channels as part of the on-going dissemination and propagation of a safety first mindset among employees. As an added measure, random drug testing is conducted and thus far all samples tested have returned negative for drug consumption.



TOTAL TRAINING BUDGET

RM170,000

Average spend on employees’s training at RM745 for FYE2018

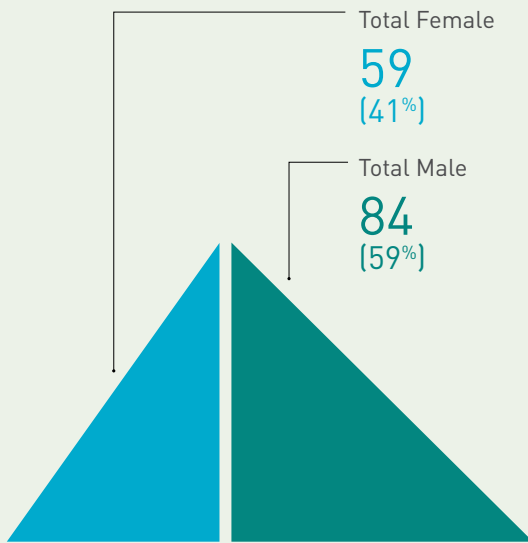


AVERAGE TRAINING HOURS

2.93 HOURS

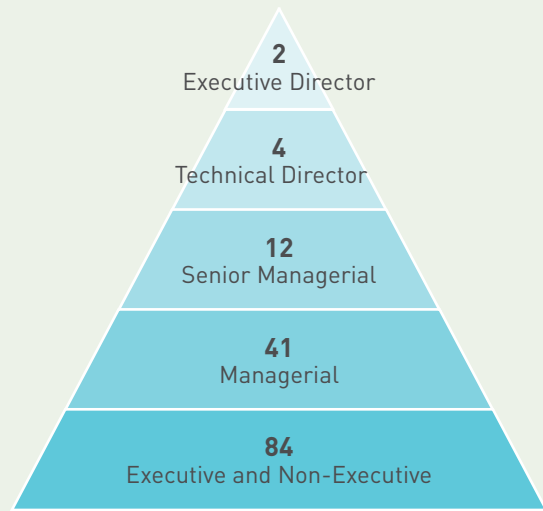
The number of average training hours per staff stands

EMPLOYEES BY GENDER



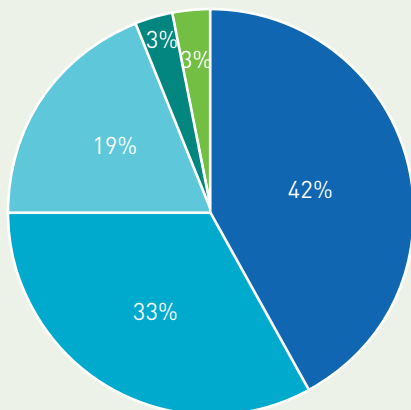
Average Age : **36** Male | **32** Female

JOB FUNCTION / LEVEL



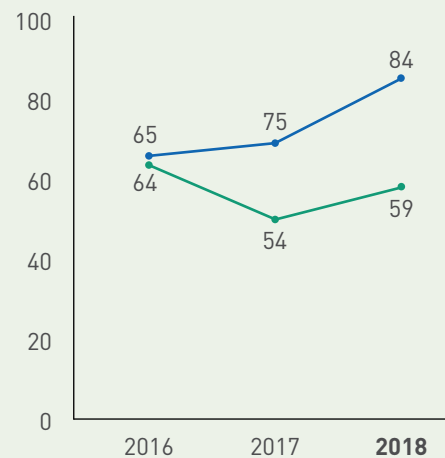
Number of Employees : **143** Employees

EMPLOYEES BY AGE



■ 21 - 30 years
 ■ 31 - 40 years
 ■ 41 - 50 years
 ■ 51 - 60 years
 ■ 61 & above

EMPLOYEES NUMBER FOR THREE CUMULATIVE YEARS



■ Male
 ■ Female

Sustainability Statement



ENVIRONMENT

GREENHOUSE GAS REDUCTION

The Group’s development of RE parks produce zero greenhouse gas (“GHG”) emissions compared to conventional fossil fuel based power facilities. Presently, the Group’s RE parks (those which are in commercial operations) have helped to successfully avoid 150,986.85 tonnes of Carbon Dioxide (CO₂) while generating 221,633.82 MWh from renewable energy. This is in addition to avoid emissions of other emissions such as Nitrogen Oxide, Sulphur Dioxide and many more.

	Current year (2018)	Total to date
Total renewable energy generation (MWh)	36,340.10	221,633.82
USEPA annual avoidance of carbon dioxide equivalent (tonnes)	25,074.67	152,927.34
Coal fire avoidance (tonnes)	4,463.84	27,224.40
Value of coal import avoided	1,602,666.80	15,873,337.60

*Note: By utilising local RE resources, significant units of import can be avoided, hence, stabilising our currency.

In the process of constructing our RE parks, Cypark ensures that carbon footprint and GHG emissions incurred are at zero or the lowest level possible. This is attained by building its RE parks on non-productive or non-prime land and avoiding forested or green areas, which result in zero or less land cleaning undertaking.

Instead, Cypark innovatively uses non-productive space as much as possible to construct RE facilities. This obviously reflected in the creation of Malaysia’s first floating solar farms, where solar panels are placed on the water of the dam itself. Beyond avoiding productive or forested areas, which ensures that there is no tree felling or deforestation or loss of vegetation, the Group has also looked into landfills and usage of waste for energy generation.



**TOTAL RENEWABLE
ENERGY GENERATION**
221,633.82
(MWh)



**COAL FIRE
AVOIDANCE**
27,224.40
(tonnes)

CIRCULAR ECONOMY MODEL

Cypark subscribes to the models of the circular economy, where resources are to be optimised – recycled and preserved and kept in use for as long as possible – extracting the maximum value while simultaneously allowing these to regenerate for future use. This is in contrast to the typical approach of extracting and exploiting resources with little consideration for disposal, regeneration and reuse.

Our WTE facility is an excellent reflection of our circular economy approach, whereby household waste and refuse products are recycled and converted into a source of clean electricity.

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



>>> Cypark at International GreenTech and Eco Products Exhibition and Conference Malaysia (IGEM) 2018. Cypark was awarded with a patent on Agriculture Integrated Solar Photovoltaic System (AIPV) by China Patent Office.

Sustainability Statement



COMMUNITY

While the Group’s business operations which is centred on renewable energy (“RE”), green technology as well as environmental engineering offerings, Cypark is of the view that the Group believes that society and people are an essential part of its sustainability voyage. The Group believes that both; the environment and society is intrinsically linked and therefore, must be encompassed wholeheartedly as part of a more inclusive approach to sustainability.

However, beyond pure altruism, our CSR or community efforts are driven towards public awareness, education and empowerment. In FY2018, Cypark has commenced and participated in various society-focussed engagements and activities. These include job and career fairs, industry forums and conferences, governmental programmes and other related events.

Education is a consequential factor of social and economic development. Cypark believes that we can give back to the people and local communities via learning experience with our expertise on Renewable Energy. One of the highlights for these efforts, includes various collaborations with several organisations and tertiary educational institutions namely, Jabatan Kesihatan Negeri Sembilan, Kolej Antarabangsa Teknologi Spektrum, Linton University College, Ngee Ann Polytechnic, Tuanku Abdul Rahman College (TARC), Universiti Kebangsaan Malaysia (UKM) and Universiti Teknologi MARA (UiTM) Cawangan Puncak Alam.

Apart from this, Cypark also has collaborated with Universiti Kebangsaan Malaysia in organising “Majlis Kolaborasi Hubungan Industri Binaan & Rekabentuk 2018” that aimed to engage with the



Collaboration between Cypark and Universiti Kebangsaan Malaysia (UKM) for the final year student’s internship programme

industry players by exchanging ideas and educating students on sustainable industry. The CSR initiatives continue by accepting final year students for internship programmes with Cypark.

We also continue to foster our staffs that CSR should be contemplated as a natural extension of our business model and footprint and not viewed entirely as a form of charity or societal outreach.



Sustainability Statement



▶▶▶
Cypark's Hari Raya Open House at TPC Kuala Lumpur, held on 7 July 2018



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In conjunction with the World Soil Day, Cypark received an educational visit at Cypark integrated renewable energy park in Pajam, Negeri Sembilan



Board of Directors' Profiles



Tan Sri Razali bin Ismail

Executive Chairman
Non-Independent Executive Director



Date of Appointment: 01 Oct '06

Number of Board Meetings Attended:



Tan Sri Razali bin Ismail, a Malaysian, aged 80, was appointed to the Board on 1 October 2006. A substantial shareholder to the Company as well as founder of Cypark Sdn. Bhd., he is also a member of the Remuneration Committee.

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

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

Tan Sri Razali is involved in environmental industries, specifically in renewable energy and solar, appointed as the Pro Chancellor of University Sains Malaysia (USM), was the Chairman of the National Peace Volunteer Corp (Yayasan Salam), heads an NGO

Project Board of Directors' Profile – Yayasan Chow Kit on street and displaced children; was on the Board of the Razak School of Government, and continues to promote the protection and replanting of mangroves. He was the Chairman of the Global Movement of Moderates Foundation. He is now the Chair of the Human Rights Commission (Suhakam).

Tan Sri Razali has attended four (4) out of the five (5) Board of Directors' Meetings held during the financial year ended 31 October 2018. He does not have any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest with the Company. He does not have any convictions for any offences within the past five (5) years or any public sanction or penalty imposed by regulatory bodies during the financial year ended 31 October 2018.

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



Dato' Daud bin Ahmad

Group Chief Executive Officer
Non-Independent Executive Director



Date of Appointment: 01 Oct '06

Number of Board Meetings Attended:



Dato' Daud bin Ahmad, a Malaysian, aged 53, was appointed to the Board on 1 October 2006 and is one of the co-founders of Cypark Sdn. Bhd. He was appointed as the CEO of Cypark since January 2001.

An Accountant by profession, Dato' Daud is a graduate of Pennsylvania State University, USA. He has also completed an Executive Management Programme at University of Chicago (Barcelona) and is a member of the Chartered Institute of Waste Management (CIWM), UK. He is also a member of Solar Energy Industries Association (SEIA). Winner of Ernst & Young "Technology Entrepreneur of the Year Award 2013" for Malaysia, Dato' Daud has over 29 years of experience including in the fields of International Business, Oil & Gas, Waste Management, Renewable Energy and Environmental Management. Prior to his involvement in Cypark, he worked for KPMG, Motorola Malaysia Sdn Bhd, ESSO Production Malaysia Inc. and Ayer Molek Berhad.

Dato' Daud has attended five (5) out of the five (5) Board of Directors' Meetings held during the financial year ended 31 October 2018. He does not have any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest with the Company. He does not have any convictions for any offences within the past five (5) years or any public sanction or penalty imposed by regulatory bodies during the financial year ended 31 October 2018.

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

Board of Directors' Profiles



Encik Headir bin Mahfidz

Independent
Non-Executive Director



Date of Appointment: 07 Sep '10

Number of Board Meetings Attended:



Encik Headir bin Mahfidz, a Malaysian, aged 53, was appointed to the Board on 7 September 2010. He was appointed by the Board as a member of the Audit Committee on 22 September 2010 and a member of the Nomination Committee on 1 January 2012 and Risk Management Committee on 1 August 2012.

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

Encik Headir has attended five (5) out of the five (5) Board of Directors' Meetings held during the financial year ended 31 October 2018. He does not have any family relationship with

any Director and/or major shareholder of the Company and has no conflict of interest with the Company. He does not have any convictions for any offences within the past five (5) years or any public sanction or penalty imposed by regulatory bodies during the financial year ended 31 October 2018.

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



Datuk Abdul Malek bin Abdul Aziz

Independent
Non-Executive Director



Date of Appointment: 19 Sep '12

Number of Board Meetings Attended:



Datuk Abdul Malek bin Abdul Aziz, a Malaysian, aged 81 was appointed to the Board on 19 September 2012. He was appointed by the Board as Chairman of the Risk Management Committee and a member of Remuneration Committee on 19 September 2012.

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

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

Datuk Malek has attended five (5) out of the five (5) Board of Directors' Meetings held during the financial year ended 31 October 2018. He does not have any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest with the Company. He does not have any convictions for any offences within the past five (5) years or any public sanction or penalty imposed by regulatory bodies during the financial year ended 31 October 2018.

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

Board of Directors' Profiles



Dato' Dr. Freezailah bin Che Yeom

Independent
Non-Executive Director



Date of Appointment: 08 Jun '10

Number of Board Meetings Attended:



Dato' Dr. Freezailah bin Che Yeom, a Malaysian, aged 79, was appointed to the Board on 8 June 2010. He was appointed by the Board as Chairman of the Audit Committee on 22 September 2010 and is also the Chairman of the Nomination Committee and Remuneration Committee.

He obtained a First Class Honours degree in Forestry and a PhD in Ecology from Edinburgh University ("EU") in 1963 and 1974, respectively. Dato' Dr. Freezailah served as the Advisor to the Ministry of Plantation Industries and Commodities on negotiations with the EU to conclude an agreement on timber legality certification. He was also the Chairman of the Malaysian Certification Council, a post he has held since the inception of the Council in 1999 until 2016. He has previously served the Forestry Department of Peninsular Malaysia and held several senior positions such as Deputy Chief Research Officer of the Forest Research Institute, Director of Forestry in the States of Kelantan and Pahang and Deputy Director-General of Forestry. In 1986, Dato' Dr. Freezailah was elected as the founding

Executive Director of the International Tropical Timber Organisation (ITTO), created by the United Nation, to promote the conservation and sustainable development of tropical forests. Based in Yokohama, Japan, he served the ITTO for 13 years and contributed to its establishment and development of the organisation into a respected global organisation.

Dato' Dr. Freezailah has attended five (5) out of the five (5) Board of Directors' Meetings held during the financial year ended 31 October 2018. He does not have any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest with the Company. He does not have any convictions for any offences within the past five (5) years or any public sanction or penalty imposed by regulatory bodies during the financial year ended 31 October 2018.

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



Encik Megat Abdul Munir bin Megat Abdullah Rafaie

Independent
Non-Executive Director



Date of Appointment: 01 Aug '12

Number of Board Meetings Attended:



Encik Megat Abdul Munir bin Megat Abdullah Rafaie, a Malaysian, aged 49, was appointed to the Board on 1 August 2012. He was appointed by the Board as a member of the Audit Committee, Nomination Committee and Risk Management Committee on 1 August 2012.

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

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

Encik Megat Abdul Munir has attended five (5) out of the five (5) Board of Directors' Meetings held during the financial year ended 31 October 2018. He does not have any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest with the Company. He does not have any convictions for any offences within the past five (5) years or any public sanction or penalty imposed by regulatory bodies during the financial year ended 31 October 2018.

Currently, Encik Megat is also a Director of Tong Herr Resources Berhad.

Key Senior Management's Profiles

Doreen Tan Swee Loon

Finance Director



Qualifications:

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

Working experiences:

- More than 30 years of professional and commercial experience in the areas of audit, accounting and finance in various industries, having worked in among others, KPMG Peat Marwick Singapore, Chinese Development Assistance Council Singapore, Singapore- Suzhou Township Development Pte Ltd, Westport Holdings Sdn Bhd and Messrs Monteiro and Heng.
- Joined the Group as Group Financial Controller in 2002.

Appointment to the current position:

- 1 October 2010

Faizal bin Yusof

Director of Engineering & Construction



Qualifications:

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

Working experiences:

- More than 20 years of working experience in the region of Asia and Middle East, comprising energy, construction and engineering i.e. high rise, hospital, highway, university, infrastructure, property development, asset facilities management, operation and maintenance.
- Held various key positions in reputable projects as Head of Country, General Manager, Project Director and Head of Project Management Office (PMO).
- Last position held prior to joining the Group in 2016 was Head of Country of UAE office and General Manager at Zelan Group of Companies.

Appointment to the current position:

- 7 October 2016

Mohd Hilmy bin Abdullah Zawawi

Senior Manager (Renewables & Green Tech)



Qualifications:

- Bachelor of Engineering (Hons) in Electrical Engineering, Universiti Teknikal Malaysia, Melaka
- Registered engineer with the Board of Engineers Malaysia

Working experiences:

- More than ten (10) years of working experience in the areas of engineering design, quality assurance and control, construction and project management, operation & maintenance and research & development.
- Successfully led the team in the design and development of Agri-Integrated Solar Photovoltaic (AIPV) which has been patented in Malaysia, Thailand, Indonesia, China, India, Vietnam and Philippines.
- Last position held prior to joining the Group in January 2012 was Project Engineer leading the Utilities Section of a Blast Furnace project in Megasteel Sdn.Bhd.
- He has served and moved up the ranks in the Group and promoted to current position.

Appointment to the current position:

- 1 January 2017

Key Senior Management's Profiles

Wan Marini bt Wan Salleh

Accounting Manager



Qualifications:

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

Working experiences:

- More than 18 years of experience in the areas of accounting and finance.
- Have worked in various private companies in industries, ranging from oil and gas, commodity trading and hospitality prior to joining the Group in 2015.

Appointment to the current position:

- 1 July 2015

Additional notes on key senior management

None of the key senior management has any:-

1. Directorship in public companies and listed issuers;
2. Family relationship with any director or/and major shareholder of the Company;
3. Conflict of interests with the Company; and
4. Conviction for offences within the past five (5) years, and public sanction or penalty imposed by the relevant regulatory bodies on him or her during the financial year ended 31 October 2018, which require disclosure pursuant to paragraph 4A(g) of Part A of Appendix 9C of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Corporate Governance Overview Statement

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

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

- a) Principle A : Board Leadership and Effectiveness;
- b) Principle B : Effective Audit and Risk Management; and
- c) Principle C : Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

This Statement also serves as a compliance with Paragraph 15.25(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**MainLR**”) and should be read together with the CG Report of the Company for the financial year ended 31 October 2018 (“**FYE 2018**”) published on the Company’s website at <http://www.crbev.com>.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

Intended Outcome 1.0

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

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

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

To enable the Board to discharge its responsibilities in meeting the goals and objectives of the Company during the FYE 2018, the Board had, amongst others:-

- (a) promoted good governance culture within the Company which reinforces ethical, prudent and professional behaviour;
- (b) reviewed, challenged and decided on Management’s proposals and monitored the implementation by Management;
- (c) ensured that the strategic plan of the Company supports long term value creation and sustainability;
- (d) supervised and assessed Management performance regularly;
- (e) ensured there is a sound framework for internal controls and risk management;

Corporate Governance Overview Statement

- (f) understood the principal risks surrounding the Group's business and set the risk appetite to ensure the risks are properly managed;
- (g) ensured sufficient succession planning for the Group's continuity in leadership for all key positions;
- (h) ensured the Company has in place procedures to enable effective communication with stakeholders; and
- (i) ensured the integrity of the Company's financial and non-financial reporting.

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

Tan Sri Razali had:-

- (a) provided leadership to the Board without limiting the principle of collective responsibility for the Board's decisions;
- (b) led Board meetings and discussion in a manner to encourage constructive discussion and effective contribution from each Director;
- (c) reviewed the minutes of the Board meetings to ensure that the minutes accurately reflect the Board's deliberations, and matters arising from the minutes have been addressed;
- (d) encouraged active participation and allowed dissenting views to be freely expressed;
- (e) ensured appropriate steps are taken to provide effective communication with the stakeholders and that their views are communicated to the Board as a whole; and
- (f) led the Board in establishing and monitoring good corporate governance practices in the Company.

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

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

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

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

During the FYE 2018, the Company Secretaries had discharged their duties and responsibilities accordingly, and had and will continue to constantly keep themselves abreast on matters concerning company law, the capital market, CG, and other pertinent matters, and with changes in the regulatory environment through continuous training and industry updates.

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

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

Corporate Governance Overview Statement

Intended Outcome 2.0

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

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

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

The Board Charter as well as the TORs of the Board Committees were recently reviewed during the FYE 2018 to ensure they remain relevant and consistent with the Board's objectives and the current regulations. The Board Charter now also includes an outline on what is expected of Directors in terms of their commitment, roles and responsibilities as Board Members. The updated versions of the same are published on the Company's website at <http://www.crbenv.com>.

The Board keeps itself abreast of the responsibilities delegated to each Board Committee, and matters deliberated at each Board Committee meeting through the minutes of the Board Committee meetings and reports from the respective Board Committee chairmen, which are presented to the Board during the Board meetings at the appropriate regular intervals.

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

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

ACTIVITIES OF THE NC

During the FYE 2018, the NC has undertaken the following activities in the discharge of its duties:-

- (i) reviewed and confirmed the Minutes of the NC meetings held;
- (ii) examined the composition of the Board;
- (iii) reviewed the required mix of skills, experience and other qualities of the Board;
- (iv) reviewed the contribution and performance of each individual director to assess the character, experience, integrity, and competence to effectively discharge their role as a Director through a comprehensive assessment system;
- (v) conducted evaluation to assess the effectiveness of the Board as a whole and the Board Committees;
- (vi) reviewed the term of office of the AC and assessed its effectiveness as a whole;
- (vii) reviewed the independence of the Independent Directors and assessed their ability to bring independent and objective judgement to Board deliberations;
- (viii) recommended the re-election of the directors who are to retire by rotation at the Thirteenth Annual General Meeting ("AGM"); and
- (ix) reviewed the meeting attendance of the Board and Board Committees.

During the FYE 2018, the Board had convened a total of five (5) Board Meetings for the purposes of deliberating on the Company's quarterly financial results and discussing other strategic and important matters. During the Board Meetings, the Board reviewed the operations and performance of the Group and other strategic issues that may affect the Group's business. Relevant senior management members were invited to attend some of the Board Meetings to provide the Board with their views and clarifications on issues raised by the Directors.

Corporate Governance Overview Statement

The NC has been tasked to review the attendance of the Directors at Board and/or Board Committee Meetings. Upon review, the NC noted that the Directors, to the best of their ability, have devoted sufficient time and effort to attend Board and/or Board Committee meetings for the FYE 2018.

The attendance of Directors during the FYE 2018 is set out below:-

Directors	Directorship	Board	AC	RMC	NC	RC
Tan Sri Razali bin Ismail	Executive Chairman	4/5	Not member	Not member	Not member	2/2
Dato' Daud bin Ahmad	GCEO	5/5	Not member	Not member	Not member	Not member
Dato' Dr. Freezailah bin Che Yeom	Independent Non-Executive Director ("INED")	5/5	5/5	Not member	1/1	2/2
Encik Headir bin Mahfidz	INED	5/5	5/5	4/4	1/1	Not member
Encik Megat Abdul Munir bin Megat Abdullah Rafaie	INED	5/5	5/5	4/4	1/1	Not member
Datuk Abdul Malek bin Abdul Aziz	INED	5/5	Not member	4/4	Not member	2/2

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

The Board has cultivated the following best practices:-

- All Directors are encouraged to attend talks, training programmes and seminars to update their knowledge on the latest regulatory and business environment; and
- The Directors are briefed by the Company Secretaries on updates by Bursa Securities periodically.

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

During the FYE 2018, the Directors have attended at least one (1) training programme. The training programme and seminar attended by the Directors during the FYE 2018 were as follows:

Conference/ Seminar/ Forum/ Discussion/ Workshop/ Training	Organisator/ Venue	Date
Majlis Pembukaan Tahun Perundangan 2018	Ketua Hakim Negara	12 January 2018
MIA Forum with Audit Sole-Practitioners	SME Corp Malaysia	29 January 2018
Business & Human Rights Workshop – Innovative types of co-operation on Human Rights	Ministry of Foreign Affairs	5 & 6 February 2018

Corporate Governance Overview Statement

LHDNM - MEF Seminar 2018- Sharing the Nation's Prosperity	Dorsett Grand Subang, Selangor	6 February 2018
World Urban Forum – 9 (WUF9)	SWCorp/ KL Convention Centre	8 February 2018
Comprehensive Approach to MPERS Series (Part 2: Recognition and Measurement Principles Of MPERS)	CPA Australia Seminar Room, Kuala Lumpur	9 February 2018
13 th Doha Interfaith Conference	Ministry of Foreign Affairs, Doha & Doha International Center for Interfaith Dialogue (DICID)	20 & 21 February 2018
GANHRI 2018 Annual Meeting	GANHRI	21 to 23 February 2018
National GST Conference 2018	Kuala Lumpur Convention Centre	27 & 28 February 2018
Program on Bar Council Task Force on Independent Police Complaints & Misconduct Commission & Police Accountability	Bar Council	2 March 2018
Practical Auditing Methodology for SMPS	Malaysian Institute of Accountants, Kuala Lumpur	6 & 7 March 2018
Going Concern – ISA 570 (Revised)	Connexion Conference and Events Centre @ The Vertical	20 March 2018
Renewable Energy, International Sustainable Energy Summit (ISES)	SEDA/Pullman Hotel Kuching	10 April 2018
Comprehensive Approach to MPERS Series (Part4: Areas of Emphasis of The First MPERS Financial Statements: Specific Consideration Areas)	CPA Australia Seminar Room, Kuala Lumpur	16 April 2018
Auditors Risk Assessment Procedures	Connexion Conference and Events Centre @ The Vertical	16 April 2018
Biennial Meeting - Commonwealth Forum of NHRI	Commonwealth Forum on NHRI's London	16 to 18 April 2018
Malaysian Tax Conference 2018	Kuala Lumpur Convention Centre, Kuala Lumpur	17 & 18 April 2018
Launch of Kofi Annan Foundation (KAF) Report on Democracy in SEA	SUHAKAM	23 April 2018
Greenpeace Environmental Rights Forum	Greenpeace Malaysia	4 June 2018
ASLI Roundtable on The Reform Agenda & Role of Civil Society: Rebuilding on the Foundations of Human Rights & Sustainable Development	ASLI	5 June 2018
Workshop on M'sia's Accession to the UN Convention Against Torture & Other Cruel, Inhuman or Degrading Treatment on Punishment (UNCAT) with MOHA	SUHAKAM / MOHA	2 July 2018
Briefing Session on the UNCAT	SUHAKAM	4 July 2018
Town Hall Meeting with KeTTHA Minister	SEDA/ Marriott Hotel Putrajaya	12 July 2018
National Tax Conference 2018	Kuala Lumpur Convention Centre	16 & 17 July 2018
Training workshop on HR & Justice for Session Court Judges, Magistrates & DPP of Klang Valley @ Institutusi Latihan Kehakiman & Perundangan Bangi	SUHAKAM	17 July 2018

Corporate Governance Overview Statement

Workshop on HR for Ketua Bahagian Siasatan Jenayah Daerah of PDRM (north zone), Pulau Pinang	SUHAKAM	23 July 2018
SUHAKAM Bersama Masyarakat in collaboration with Uni Sultan Azlan Shah (USAS), Kuala Kangsar	SUHAKAM / USAS	24 July 2018
Special Tax Refund for Doctors – 8 Things Accountants Should Do In 60 Days	Connexion Conference and Events Centre @ Nexus	27 July 2018
Workshop on HR – Seminar on HR & Policing for Ketua Bahagian Siasatan Jenayah Daerah of PDRM (North Zone) @ Maktab PDRM, Cheras	SUHAKAM	2 August 2018
SEDA RE Focus Group Discussion – Bioenergy (Biomass & Biogas) Sector	SEDA Office Putrajaya	9 August 2018
SUHAKAM's Forum on Business & HR	SUHAKAM	16 August 2018
Companies Act 2016: Practical Insights on Compliance	Pullman Kuala Lumpur Bangsar	4 September 2018
Soka Gakkai Malaysia - Toward an Era of Human Rights: Building a People's Movement	Soka Gakkai Malaysia	8 September 2018
Special event to commemorate the 70 th Anniversary Universal Declaration of Human Rights (UDHR) & 15 th Annual Meeting South East Asia National Human Rights Institutions Forum (SEANF), Bangkok, Thailand	SEANF	13 & 14 September 2018
CEPSI 2018 Conference	TNB/ KL Convention Centre	18 September 2018
Advocacy Training Course	Kota Bharu	21 & 22 September 2018
Solar Power International Conference	Anaheim Convention Center, CA, US	24 to 27 September 2018
Malaysia's Universal Periodic Review (UPR) Pre Session in Geneva	UPR Info, Geneva	9 October 2018
MIA Conference 2018	Kuala Lumpur Convention Centre, Kuala Lumpur	9 & 10 October 2018
13 th International Conference of GANHRI in Marrakech, Morocco– Expanding Civil Space & Promoting & Protecting Human Rights Defenders, with a focus on Women: The role of national human rights institutions	GANHRI / National HR Council of Morocco	10 to 12 October 2018
Conference in Celebration of "70 Years Universal Declaration of Human Rights" – A time for concern or celebration?	Geneva Academy of Int Humanitarian Law & HR/German NHRI/HR NGOs/Friedrich Ebert Foundation	15 to 16 October 2018
Greening Malaysia's Energy (Roundtable Meeting)	Mandarin Oriental Kuala Lumpur	19 October 2018
National Energy Awards 2018 (NEA)	KL Convention Centre	19 October 2018
International Workshop for Heads of Forest Research Institutions – Forest Research in Response to Climate Change	Beijing, China	26 October 2018
International Science and Technology Cooperation Award	Chinese Academy of Forestry, Beijing	27 October 2018

Corporate Governance Overview Statement

International Workshop on Certified Forest Products and Sustainable Forestry	Beijing, China	30 & 31 October 2018
Focus Malaysia	KL Hilton	9 November 2018
Introduction to Malaysian Business Reporting System (MBRS)	Connexion Conference and Events Centre @ The Vertical	12 November 2018
EU-UN Joint event – 70 th Anniversary of the Universal Declaration of HR	European Union / United Nations office	12 November 2018
Interactive Session with students of Nottingham Uni, Semenyih Campus	Nottingham University, Semenyih	14 November 2018
Program on HR with students of SMK Langkawi, Pulau Tuba	SUHAKAM	21 November 2018
SUHAKAM Bersama Masyarakat in Langkawi	SUHAKAM	22 November 2018
Seminar Kebangsaan Islam & Hak Asasi Manusia	SUHAKAM	27 November 2018
National Rountable on Alternatives to detention for children	SUHAKAM	29 November 2018

Intended Outcome 3.0

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

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

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

The said Codes are published on the Company’s website at <http://www.crbenv.com>.

- 3.2 The Board has adopted a Whistleblowing Policy during the FYE 2018 to facilitate the whistleblower to report or disclose through established channels about any violations or wrongdoings they may observe in the Group without fear of retaliation should they act in good faith when reporting such concerns.

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

II. BOARD COMPOSITION

Intended Outcome 4.0

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

Corporate Governance Overview Statement

- 4.1 The Board currently comprises two (2) Executive Directors and four (4) INED.

Such composition is able to provide an unbiased and independent and objective judgement to facilitate a balanced leadership in the Group as well as providing effective check and balance to safeguard the interest of the minority shareholders and other stakeholders, and ensuring high standards of conduct and integrity are maintained.

- 4.2 The NC had assessed the performance and independence of Dato' Dr. Freezailah Bin Che Yeom and Encik Headir Bin Mahfidz, who will reach the nine (9) year tenure on 8 June 2019 and 7 September 2019 respectively.

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

- 4.3 The Board has adopted a policy which limits the tenure of its Independent Directors to nine (9) years as disclosed in the Board Charter.

- 4.4 The Board is judicious of the gender diversity recommendation promoted by the MCCG in order to offer greater depth and breadth to Board discussions and constructive debates at senior management level.

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

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

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

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

Intended Outcome 5.0

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

- 5.1 During the FYE 2018, the Board, through the NC, has conducted the following annual assessments to determine the effectiveness of the Board, its Committees and each individual Director in the FYE 2018:-

- (i) Directors' self/peer evaluation;
- (ii) Board and Board Committee performance evaluation;
- (iii) Board Skills Matrix
- (iv) AC members' peer evaluation; and
- (v) Assessment of Independent Directors.

Based on the aforesaid evaluations conducted for the FYE 2018, the NC and the Board were satisfied with the performance of each Director, the Board as a whole, and the Board Committees.

Corporate Governance Overview Statement

III. REMUNERATION

Intended Outcome 6.0

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

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

- 6.1 The Board has in place Policies and Procedures to determine the Remuneration of Directors and Senior Management that sets out the criteria to be used in recommending remuneration packages for the Executive Directors, Non-Executive Directors and any senior management personnel.
- 6.2 Currently, the RC comprises two (2) INEDs and the Executive Chairman.

Intended Outcome 7.0

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

- 7.1 The breakdown of the remuneration of each individual Director for the FYE 2018 for the Group/Company level is as follows:-

Name of Director	Directors' Fee (RM)	Salaries and Bonus (RM)	Defined Contribution Plan (RM)	Social Security Contribution (RM)
Executive Director				
Tan Sri Razali Bin Ismail	-	3,342,000	401,040	593
Dato' Daud Bin Ahmad	-	2,132,000	255,840	828
Total	-	5,474,000	656,880	1,421
Non-Executive Directors				
Dato' Dr. Freezailah Bin Che Yeom	210,000	-	-	-
Datuk Abdul Malek Bin Abdul Aziz	138,000	-	-	-
Encik Megat Abdul Munir Bin Megat Abdullah Rafaie	166,800	-	-	-
Encik Headir Bin Mahfidz	183,600	-	-	-
Total	698,400	-	-	-

- 7.2 The Board has opted not to disclose on a named basis for the top five (5) senior management's remuneration in the bands of RM50,000/- for the best interest of the Group in mind, and taking into consideration the sensitivity, security, and issue of staff morale. Alternatively, the Group disclosed the top four (4) senior management's remuneration on an aggregate basis as follows:-

Corporate Governance Overview Statement

	RM
Short term employee benefits	2,688,756
Defined contribution plan	238,195
Other benefits	3,315

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

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

Intended Outcome 8.0

There is an effective and independent AC.

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

- 8.1 The AC is chaired by Dato' Dr. Freezailah bin Che Yeom, who is an INED, while the Chairman of the Board is Tan Sri Razali, a Non-Independent Executive Chairman. This had ensured that the objectivity of the Board's review of the AC's findings and recommendations is not impaired.
- 8.2 The AC has not adopted a policy that requires a former key audit partner to observe a cooling-off period of at least two (2) years before being appointed as a member of the AC.

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

- 8.3 In recommending the re-appointment of the External Auditors to the Board, the AC has considered the following-
- (a) the competence, audit quality, experience and resource capacity of the External Auditors in relation to the audit;
 - (b) the persons assigned to the audit;
 - (c) the audit firm's other audit engagements;
 - (d) the External Auditors' ability to meet deadlines in providing services and responding to issues in a timely manner as contemplated in the external audit plan;
 - (e) the nature and extent of the non-audit services rendered and the appropriateness of the level of fees; and
 - (f) obtaining written assurance from the External Auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

On 13 December 2018, the AC completed the assessments adopted by the Company. The AC was of the view that Messrs. Mazars PLT is suitable, objective and independent to be re-appointed based on the following justifications. The Board has in turn, recommended the same for shareholders' approval at the forthcoming AGM of the Company.

- 8.4 The AC comprises solely Independent Directors.

Corporate Governance Overview Statement

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

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

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

Intended Outcome 9.0

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

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

- 9.1 The Board, through the RMC, monitors risks and internal control.
- 9.2 The Board, through the RMC, monitors risks and internal control via an 'Enterprise Risk Management Continued Risk Identification Monitoring and Reporting to Risk Committee/Board', which is a comprehensive report tabling the current status, action taken and conclusion of the key risks identified in every quarter.
- 9.3 The Risk Management Committee comprises three (3) INEDs.

Intended Outcome 10.0

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

- 10.1 The internal audit function of the Group is carried out by an external service provider, namely Crowe Governance Sdn. Bhd. (*formerly known as Crowe Horwath Governance Sdn. Bhd.*). The outsourced Internal Auditors report directly to the AC and provide the Board with a reasonable assurance of adequacy of the scope, functions and resources of the internal audit function.

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

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

During the FYE 2018, the AC had reviewed and assessed the adequacy of the scope, functions, competency and resources of the outsourced Internal Auditors and that they have the necessary authority to carry out their work.

- 10.2 The outsourced internal audit function is headed by Mr. Amos Law, who is a Certified Internal Auditor (CIA), Chartered Institute of Internal Auditors (CMIA) and Certification in Risk Management Assurance (CRMA). A total of six (6) personnel is deployed by Crowe Governance Sdn. Bhd. for the internal audit works during the FYE 2018.

Corporate Governance Overview Statement

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

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

I. COMMUNICATION WITH STAKEHOLDERS

Intended Outcome 11.0

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

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

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

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

(a) Announcements to Bursa Securities

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

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

(b) Annual reports

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

(c) AGM/general meetings

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

(d) Corporate website

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

Corporate Governance Overview Statement

(e) Investor relations

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

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

II. CONDUCT OF GENERAL MEETINGS

Intended Outcome 12.0

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

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

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

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

12.2 All the Directors of the Company attended the Thirteenth AGM of the Company held on 9 April 2018. In compliance with the new MCGG that came into effect on 26 April 2017, all the Directors of the Company will endeavour to attend all future general meetings and the Chair of the AC, RMC, NC and RC will provide meaningful response to questions addressed to them.

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

Prior to implementing the voting in absentia and remote shareholders' participation at general meeting(s), the Board noted several factors/conditions need to be fulfilled prior to making such consideration:-

- Relevant amendments to the Articles of Association of the Company to outline the procedures for enabling such voting/participation;
- Availability of technology and infrastructure;
- Affordability of the technology and infrastructure;
- Sufficient number of shareholders residing/locating at particular remote location(s); and
- Age profile of the shareholders.

In view thereof, the Board will not be recommending the adoption of such voting/participation at the forthcoming AGM of the Company.

The Corporate Governance Overview Statement and the Corporate Governance Report are made in accordance with a resolution of the Board of Directors passed on 24th January 2019.

Statement of Directors' Responsibilities

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

The Group's consolidated annual audited financial statements for the financial year ended 31 October 2018 are drawn up in accordance with the applicable approved accounting standards in Malaysia and the Companies Act 2016 ("CA 2016") to give a true and fair view of the affairs of the Company and its Group. The Statement by the Directors pursuant to Section 251 (2) of the CA 2016 is set out in the section headed "Statement by Directors" of the Directors' Report enclosed with the Group's consolidated annual audited financial statements for the financial year ended 31 October 2018.

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

- i. ensure the adoption of appropriate, adequate and applicable accounting standards and policies and applied them consistently;
- ii. ensured that applicable approved accounting standards have been followed;
- iii. where applicable, judgments and estimates are made on a reasonable and prudent basis; and
- iv. upon due inquiry into the state of affairs of the Company, there are no material matters that may affect the ability of the Company to continue in business on a going concern basis.

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

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

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

The Audit Committee Report

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

Composition of the Audit Committee

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

Number of Audit Committee Meetings and Details of Attendance

During the financial year ended 31 October 2018, the Audit Committee held a total of five (5) meetings. The details of the attendance of each Audit Committee member are as follows:-

Audit Committee Members	No. of meetings attended
Dato' Dr. Freezailah bin Che Yeom	5 out of 5
Encik Headir bin Mahfidz	5 out of 5
Encik Megat Abdul Munir bin Megat Abdullah Rafaie	5 out of 5

Summary of Work of the Audit Committee

During the financial year ended 31 October 2018, the Audit Committee has carried out the following work in accordance with its terms of reference to meet its responsibilities:-

- a. reviewed the unaudited quarterly reports on the consolidated results of the Group for all the relevant financial quarters prior to recommending the same for the Board's approval;
- b. received the relevant business, financial and tax-related updates from management, including enquiring on management's plans and strategies;
- c. reviewed the recurrent related party transactions of a revenue or trading nature of the Group for all the relevant financial quarters;
- d. reviewed the audited financial statements of the Group for the financial year ended 31 October 2017 prior to recommending the same for the Board's approval, taking into consideration also:-
 - i. changes in or implementation of any major accounting policies and practices;
 - ii. significant matters highlighted including financial reporting issues, significant judgements made by management, significant and unusual events or transactions, and how these matters are addressed;
 - iii. compliance with accounting standards, and regulatory, governance and other legal requirements; and
 - iv. major issues the external auditors raised, the going concern assumptions, issues, problems and reservations arising from the interim and final external audits;
- e. reviewed and discussed with the external auditors, the applicability and the impact of the new accounting standards and new financial reporting regime issued by the Malaysian Accounting Standards Board;

The Audit Committee Report

- f. reviewed the external audit reports and assessed the auditor's findings and management's responses thereto in respect of the audit for the financial year ended 31 October 2017;
- g. met twice with the external auditors without the presence of the executive directors and management during Audit Committee meetings to enquire on significant findings, fraud consideration, if any, and/or management cooperation level;
- h. reviewed and discussed the scope of work and audit plan in respect of the audit for the financial year ended 31 October 2018, including significant events during the year, significant risks, potential key audit matters and key audit areas;
- i. reviewed the internal audit reports presented on the state of internal control of the Group and steps taken by management in response to the audit findings;
- j. reviewed and approved the internal audit plan for the financial year ended 31 October 2018;
- k. reviewed and evaluated with the external and internal auditors, the adequacy of the internal control and risk management systems of the Group;
- l. reviewed the suitability, objectivity and independence of the external auditors in order to recommend their re-appointment to the Board for recommendation to the shareholders for approval during the 13th Annual General Meeting of the Company;
- m. reviewed the audit fees prior to recommending the same for the Board's approval;
- n. assessed the adequacy of the scope, functions, competency and resources of the outsourced internal auditors and that they have the necessary authority to carry out their work;
- o. assessed the performance of the internal auditors;
- p. reviewed the Audit Committee Report and Statement on Risk Management and Internal Control for inclusion in the Company's 2017 Annual Report;
- q. reviewed the Circular to Shareholders in relation to the Proposed Renewal of Existing Shareholder Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature dated 28 February 2018;
- r. reviewed the Terms of Reference of the Audit Committee prior to recommending the same for the Board's approval;
- s. reviewed and confirmed the minutes of the Audit Committee meetings; and
- t. reported to the Board on the proceedings of each Audit Committee meeting (through the Audit Committee Chairman).

Summary of Work of the Internal Audit Function

The Audit Committee had put emphasis on the importance of having an internal audit function within the Group and had outsourced its internal audit function to a professional service firm to assist the Board and the Audit Committee in providing independent assessment of the adequacy, efficiency and effectiveness of the Group's internal control systems. The costs incurred for maintaining the outsourced internal audit function for the financial year ended 31 October 2018 amounted to RM44,099.

The Audit Committee Report

A summary of the work of the internal audit function for the financial year ended 31 October 2018 is as follows:-

- a. conducted an internal control review on the Quality Assurance / Quality Control cycle for Cypark Resources Berhad, Cypark Renewable Energy Sdn. Bhd. and Cypark Sdn. Bhd.;
- b. conducted an internal audit on Information Technology (“IT”), specifically in the following areas, focusing on IT general controls and the overall control environment:-
 - Information systems access and security
 - Computer operations
 - System changes
 - Third party management
- c. presented the internal audit findings and action plans to be taken by management to the Audit Committee; and
- d. conducted follow-ups on previous audits to ensure corrective actions had been taken and updating the Audit Committee on the same.

Statement on Risk Management and Internal Control

Introduction

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

Board Responsibility

The Board recognises the importance of sound risk management practices and internal controls to safeguard shareholders’ investments and the Company’s assets. The Board acknowledges its responsibility and is committed in maintaining the Company’s risk management and system of internal control as well as reviewing its adequacy, integrity and effectiveness.

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

Risk Management Framework and Key Features of Internal Control System

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

Apart from periodic management meetings, the Risk Management Committee had held four (4) meetings in the financial year ended 31 October 2018 to discuss key risks and the relevant mitigating controls on a quarterly basis. Risks are prioritised in terms of likelihood and impact on the achievement of the Company’s business objectives.

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

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

- a. A clear and well-defined organisational structure taking into account the business and operational requirements of the core businesses of the Group which limits the respective levels of authority, accountability and responsibility of job functions and specifications;
- b. Documentation of standard operating procedures and ensuring that internal policies, processes and procedures are drawn-up, reviewed and revised as and when required and necessary;
- c. Regular operational and financial reporting to the Senior Management and/or the Board, highlighting their progress and variances from budgets. The Audit Committee and the Board review quarterly operational as well as financial results and reports;
- d. Group Management meetings are held regularly when necessary to raise issues, discuss, review and monitor the business development and resolve operational and management issues and review financial performances against the business plans, the targets and the budgets, if any, for each operating unit and regular visits by the Senior Personnel or Management team to each operating unit as and when necessary;

Statement on Risk Management and Internal Control

- e. Board and Audit Committee Meetings are scheduled regularly, that is at least four (4) times in a year and the respective meeting papers are distributed on a timely basis to enable members to have access to all relevant information for reviews and queries to be raised;
- f. Audit Committee reviews the quarterly financial results and yearly Audited Financial Statements prior to the approval of the Board;
- g. Management ensures that safety regulations within the Group are being considered, implemented and adhered to accordingly;
- h. Staff training and development programs are regularly provided to equip staff with the appropriate knowledge and skills to enable staff to carry out their job functions productively and effectively;
- i. Major assets are insured to ensure that assets of the Group are sufficiently covered against mishap that may result in material losses to the Group;
- j. Regular visits to the project sites by senior management;
- k. Close involvement of the Executive Directors of the Group in its daily operations;
- l. Established procedures for strategic planning and operations;
- m. Periodic audits by external parties to ensure compliance with the terms and conditions of the ISO 9001: 2015 certification; and
- n. Related party transactions are disclosed, reviewed and monitored by the Board on a periodic basis.

Internal Audit Function

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

During the financial year ended 31 October 2018, the internal audit function conducted two (2) cycles of audit in accordance with the risk-based internal audit plan approved by the Audit Committee. The results of the internal audit review and the recommendations for improvement were presented to the Audit Committee at their scheduled meetings. The internal audit function also performed follow-up audits to ensure that the necessary corrective actions have been undertaken to address the control gaps noted. Based on the internal audit reviews conducted, none of the weaknesses noted has resulted in any material losses, contingencies or uncertainties that would require separate disclosure in this Annual Report.

Review of the Statement by External Auditors

As required by paragraph 15.23 of MMLR of Bursa Securities, the external auditors have reviewed this statement for inclusion in the Annual Report of the Company for the financial year ended 31 October 2018 and have reported to the Board that nothing has come to their attention that cause them to believe that this Statement is inconsistent with their understanding of the process that the Board has adopted in the review of the adequacy and integrity of the system of internal control of the Group.

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

Statement on Risk Management and Internal Control

Board Assessment

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

The Board confirms that the risk management process in identifying, evaluating and managing significant risks faced by the Company has been in place throughout the financial year ended 31 October 2018 up to the date of approval of this statement.

This statement is made in accordance with a resolution of the Board of Directors passed on 24 January 2019.

Additional Compliance Information

Audit and Non-Audit Fees

For the financial year ended 31 October 2018, the amounts of audit and non-audit fees paid or payable by the Company and the Group to the external auditors are as follows:-

	Company (RM)	Group (RM)
Audit fees	70,000	248,600
Non-audit fees	5,000	5,000

Material Contracts Involving Directors' and Major Shareholders' Interests

There were no existing material contracts of the Company and its subsidiaries involving the interests of the directors (Group Chief Executive Officer is also a Director) or substantial shareholders, either still subsisting at the end of the financial year ended 31 October 2018 or entered into since the end of the previous financial year ended 31 October 2017.

Material Properties

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

Related-Party Transactions

Save as disclosed hereinafter, the significant related-party transactions, existing or potential, which involves the Directors, major shareholders and/or persons connected with such Directors or major shareholders are set out in Note 24 of the Financial Statements of this Annual Report and also as disclosed in the Circular/Statement to Shareholders dated 28 February 2018. The details of the related-party transactions with the related party are set out below:-

Related party	Interested Directors and Major Shareholders	Nature of transaction	Estimated aggregate value of the RRPT as disclosed in the preceding year's Circular to Shareholders dated 28 February 2018 (RM)	Actual value transacted from the date of the last AGM on 9 April 2018 to LPD (RM)	Estimated aggregate value of the RRPT for the Proposed Shareholders' Mandate from 9 April 2019 (date of Fourteenth AGM) to the next AGM
CyEn Resources Sdn. Bhd.	Tan Sri Razali Bin Ismail and Dato' Daud Bin Ahmad*	Sub-contractor charges paid for environmental/ landscape works	25,000,000	20,015,772	25,000,000

* Tan Sri Razali bin Ismail and Dato' Daud bin Ahmad are the Directors and Major Shareholders of the Group and CyEn Resources Sdn. Bhd.

Additional Compliance Information

Employees' Share Option Scheme ("ESOS")

The Group has one (1) ESOS in existence during the year ended 31 October 2018 and the said ESOS is governed by the By-Laws approved by the shareholders during the Tenth (10th) Annual General Meeting held on 21 April 2015. The information in relation to the ESOS, is as follows:-

Details	2017 Options
Total options or shares outstanding as at 1 November 2017	19,845,500
Total number of options or shares granted during the year	-
Total number of options exercised during the year	(5,354,500)
Total options or shares outstanding as at 31 October 2018	14,491,000

Granted to Directors including Group Chief Executive Officer	2017 Options
Aggregate options or shares outstanding as at 1 November 2017	12,450,000
Aggregate options or shares granted during the year	-
Aggregate options exercised during the year	(2,300,000)
Aggregate options or shares outstanding as at 31 October 2018	10,150,000

Granted to Directors and Senior Management	2017 Options
Aggregate maximum allocation in percentage	N/A
Actual percentage granted	85.4%

There were no new options granted pursuant to ESOS during the financial year ended 31 October 2018. The breakdown of the options vested in Non-Executive Directors during the financial year under review was as follows:-

Name of Directors	Balance as at 01.11.2017	Exercised	Cancelled	Balance as at 31.10.2018
1. Dato' Dr. Freezailah Bin Che Yeom	150,000	-	-	150,000
2. Datuk Abdul Malek Bin Abdul Aziz	-	-	-	-
3. Headir Bin Mahfidz	150,000	-	-	150,000
4. Megat Abdul Munir Bin Megat Abdullah Rafaie	150,000	-	-	150,000

Additional Compliance Information

Utilisation of Proceeds

During the financial year ended 31 October 2018, the Company has successfully raised RM63,468,060 from the private placement of 28,737,000 new ordinary shares of RM0.50 each. The placement was done in three (3) tranches and the details are as follows:-

- i. Tranche 1 – 11,915,000 unit of ordinary shares were issued at RM 2.18 per share allotted on 2 July 2018 and listed on 4 July 2018
- ii. Tranche 2 – 8,608,000 unit of ordinary shares were issued at RM 2.18 per share allotted on 13 July 2018 and listed on 16 July 2018
- iii. Tranche 3 – 8,214,000 unit of ordinary shares were issued at RM 2.28 per share allotted on 26 July 2018 and listed on 30 July 2018

The status of the utilisation of the proceeds is as follows:-

Purpose	Proposed Utilisation	Actual Utilisation	Balance	Estimated timeframe for utilisation
Group's working capital requirements	62,993,197	32,000,000	30,993,197	Within 18 months
Expenses on the private placement	474,863	474,863	-	Fully utilised
	63,468,060	32,474,863	30,993,197	



Financial Statements

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Directors' Report

For the Year Ended 31 October 2018

The directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 October 2018.

PRINCIPAL ACTIVITIES

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

The details of the principal activities of the subsidiaries are disclosed in Note 6 to the financial statements.

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

RESULTS

	Group	Company
	RM	RM
Profit for the year attributable to:		
Owners of the Company	70,404,144	10,814,337
Non-controlling interest	(1,220)	-
Profit for the year	70,402,924	10,814,337

DIVIDENDS

Further to the approval of Dividend Reinvestment Scheme ("DRS") at the Annual General Meeting held on 21 April 2015, the shareholders had approved the renewal of authority for the issuance and allotment of new ordinary shares in the Company ("CRB Shares") for the purpose of DRS at the Annual General Meeting held on 9 April 2018.

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

Since the end of the previous financial year, the Company paid a single-tier final dividend of 5.6 sen per CRB Share on 264,843,672 CRB Shares amounting to RM14,831,246 in respect of the financial year ended 31 October 2017. A total of 4,727,700 CRB Shares were issued on 28 June 2018 at an issue price of RM2.18 per share under the DRS and the remaining portion of RM4,524,860 was paid in cash on 28 June 2018.

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

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company increased its total number of issued and paid-up share capital from 260,993,172 ordinary shares to 299,812,372 ordinary shares by way of:

- (a) Issuance of 4,727,700 CRB Shares at an issue price of RM2.18 per share pursuant to the DRS;
- (b) Issuance of 5,354,500 CRB Shares at an exercise price of RM2.12 per share pursuant to the exercise of options under the Employees' Share Option Scheme ("ESOS"); and
- (c) Issuance of 20,523,000 CRB Shares at an exercise price of RM2.18 per share and 8,214,000 CRB Shares at an exercise price of RM2.28 per share pursuant to the Private Placement.

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

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

EMPLOYEES' SHARE OPTION SCHEME

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

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

	Number of option					At 31.10.2018	Expiry date
	At 1.11.2017	Granted	Exercised	Forfeited	At		
ESOS	19,845,500	-	(5,354,500)	-	14,491,000	18 October 2020	

Details about the exercise price, exercise period, basis upon which the share options may be exercised and other information about the ESOS of the Company are set out in Note 14 to the financial statements.

RESERVES AND PROVISIONS

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

SUBSIDIARIES

Details of the subsidiaries are set out in Note 6 to the financial statements.

There is no qualified auditors' report on the financial statements of any subsidiary for the financial year in which this report is made.

As at the end of the financial year, none of the subsidiaries hold any shares in the holding company or in other related corporations.

Directors' Report

For the Year Ended 31 October 2018

DIRECTORS

The directors in office during the financial year to the date of this report are:

Tan Sri Razali bin Ismail
 Dato' Daud bin Ahmad
 Dato' Dr. Freezailah bin Che Yeom
 Headir bin Mahfidz
 Megat Abdul Munir bin Megat Abdullah Rafaie
 Datuk Abdul Malek bin Abdul Aziz

DIRECTORS OF SUBSIDIARIES

The name of directors of subsidiaries where the shares are held by the Company are listed below (excluding directors who are also directors of the Company):

Datuk Abdul Talib Md Zin
 Mahadzir bin Hashim
 Dato' Ahmad Pharmacy bin Abd Rahman
 Rahimi Bin Razali @ Ghazali
 Haji Darus @ Idrus bin Omar
 Abdul Khalil bin Wahab
 Kyuji Takahashi
 Hirofumi Takahashi
 Achmat Nadhrain bin Ibrahim (resigned on 15 October 2018)
 Datuk Rozimi bin Remeli

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

DIRECTORS' INTERESTS IN SHARES AND ESOS

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

The Company	← Number of ordinary shares →			At 31.10.2018
	At 1.11.2017	Bought	Sold	
<u>Direct interest</u>				
Tan Sri Razali bin Ismail	46,507,900	1,194,500	(9,368,820)	38,333,580
Dato' Daud bin Ahmad	41,480,956	3,424,300	-	44,905,256
Dato' Dr. Freezailah bin Che Yeom	184,100	4,700	-	188,800
Headir bin Mahfidz	102,300	2,600	-	104,900
Megat Abdul Munir bin Megat Abdullah Rafaie	20,000	-	-	20,000
Datuk Abdul Malek bin Abdul Aziz	156,000	3,800	-	159,800

Directors' Report

For the Year Ended 31 October 2018

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

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

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

	← Number of share options under the ESOS →			
	At 1.11.2017	Granted	Exercised	At 31.10.2018
Tan Sri Razali bin Ismail	3,000,000	-	-	3,000,000
Dato' Daud bin Ahmad	9,000,000	-	(2,300,000)	6,700,000
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

DIRECTORS' BENEFITS

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

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

INDEMNITY AND INSURANCE COST

There was no indemnity given to or insurance effected for the directors of the Company.

Directors' Report

For the Year Ended 31 October 2018

OTHER INFORMATION

Before the financial statements were made out, the directors took reasonable steps:

- (i) to ascertain that appropriate action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and satisfied themselves that there were no known bad debts to be written off and allowance for doubtful debts was not required; and
- (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.

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

- (i) which would render it necessary to write off any bad debt or to make any allowance for doubtful debts in respect of the financial statements of the Group and of the Company; or
- (ii) which would render the values attributed to the current assets in the financial statements misleading; or
- (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

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

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

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

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

In the opinion of the directors:

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

SUBSEQUENT EVENT

Details of subsequent event after the financial year end are disclosed in Note 32 to the financial statements.

AUDITORS

Auditors' remuneration is set out in Note 20 to the financial statements.

The auditors, Mazars PLT, Chartered Accountants, have expressed their willingness to accept re-appointment.

There was no indemnity given to or insurance effected for the auditors of the Company.

APPROVAL OF THE DIRECTORS' REPORT

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

TAN SRI RAZALI BIN ISMAIL
Director

DATO' DAUD BIN AHMAD
Director

Kuala Lumpur

Date: 24 January 2019

Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Cypark Resources Berhad, which comprise the statements of financial position as at 31 October 2018 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 75 to 149.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 October 2018, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

(a) Impairment assessment of intangible assets recognised pursuant to IC Interpretation 12 Service Concession Arrangements

Management is required to assess at the end of each reporting period whether there is any indication that the intangible assets may be impaired in accordance to the requirements of MFRS 136 *Impairment of Assets*. If any such indication exists, the management shall estimate the recoverable amount of the intangible assets.

Assessing the recoverable amount of the intangible assets arising from concession arrangement involved judgement and estimates, which includes developing key assumptions for the forecasted revenues, growth rates and appropriate discount rate. These assumptions are sensitive inputs used in the cash flow projection.

Assumptions used and estimates made by the management have a direct impact on the appropriateness of the reported carrying amount of the Group's intangible assets. Due to the significance of the concession assets and the related uncertainty on forecasting and discounting future cash flow, this is considered a key audit risk. As at 31 October 2018, the Group reported intangible assets recognised pursuant to IC Interpretation 12 *Service Concession Arrangements* with carrying amount of RM796,744,908 (2017: RM689,466,537).

Independent Auditors' Report

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

The related disclosures are included in Note 5 to the financial statements.

Our response

Our procedures included the following:

- (i) Enquired management on any update or change to the specific terms and conditions of the concession agreement;
- (ii) Reviewed management meeting minutes to obtain an understanding of the performance and status of the project;
- (iii) Conducted detailed discussion with management to understand their assessment of the future performance of the intangible assets;
- (iv) Checked the tariff rates used against the signed concession agreement and forecasted expenditures to signed third parties contracts, budgeted price lists and where possible to comparable industries data;
- (v) Assessed the reasonableness of the methodology supporting the key assumptions in deriving the discount rate and growth rates, including the source of information; and
- (vi) Subjected the key assumptions in the discounted cash flow projection to sensitivity analysis.

(b) Revenue recognition from construction works (landscaping, infrastructure, environmental engineering and maintenance works contracts)

During the financial year ended 31 October 2018, contract revenue amounted to RM289,115,560 (2017: RM233,592,167) and RM47,172,492 (2017: RM79,846,370) based on percentage of completion method represented 86% (2017: 77%) and 68% (2017: 77%) of the total revenue of the Group and the Company. The corresponding cost of sales of RM209,203,925 (2017: RM176,555,889) and RM45,959,042 (2017: RM75,530,382) accounted for 88% (2017: 83%) and 91% (2017: 100%) of the Group's and the Company's total cost of sales.

Due to the nature of such contracts, revenue recognition involves a significant degree of judgement in estimating total contract costs, stages of completion and any expected loss for a contract.

The related disclosures are included in Notes 17 and 18 to the financial statements.

Our response

Our procedures included the following:

- (i) Read key contracts to obtain understanding of the specific terms and conditions;
- (ii) Reviewed project files and discussed with management the progress of each projects;
- (iii) Discussed and challenged the management's estimates for total contract costs and budgeted costs to complete taking into account the historical accuracy and current economic conditions;
- (iv) Tested the mathematical accuracy of the contract revenue, contract costs and profits based on the percentage of completion calculations; and
- (v) Compared contract budgets to actual outcomes and inquired management on the probability of foreseeable losses for those budgeted costs to complete.

Independent Auditors' Report

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

(c) *Impairment of receivables*

The Group and the Company have outstanding billed and unbilled receivables (due from customers on work performed) amounted RM383,503,591 (2017: RM264,763,800) and RM453,113,513 (2017: RM451,930,739) which accounted for 25% (2017: 20%) and 82% (2017: 82%) of the Group's and the Company's total assets as at 31 October 2018.

The management assessed the recoverability with reference to industry practices for the allowance on impairment loss and ageing analysis for the collectability of the individual outstanding receivables.

Where there is objective evidence of impairment, management estimates the amount of impairment loss that should be recorded against the receivables. Significant estimation is involved in the assessment of credit exposures and collectability of each receivable.

The related disclosures are included in Note 9 to the financial statements.

Our response

Our procedures included the following:

- (i) Conducted detailed discussion with management on significant overdue receivables and gained understanding on the timing and likelihood of billing for those unbilled amounts;
- (ii) Read minutes of meetings and correspondences on ongoing negotiations with receivables;
- (iii) Analysed and tested, on a sampling basis the accuracy of the ageing profile of the receivables by checking to the supporting documents; and
- (iv) Obtained receivable confirmations, on a sampling basis and reviewed evidence of receipts from the receivables after the year end.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

Independent Auditors' Report

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Independent Auditors' Report

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 6 to the financial statements.

Other Matters

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

MAZARS PLT
LLP0010622-LCA
AF 001954
Chartered Accountants

YAP CHING SHIN
02022/03/2020 J
Chartered Accountant

Kuala Lumpur

Date: 24 January 2019

Statements of Financial Position

For the Year Ended 31 October 2018

	Note	Group		Company	
		2018 RM	2017 RM	2018 RM	2017 RM
ASSETS					
NON-CURRENT ASSETS					
Plant and equipment	4	216,441,414	229,012,991	115,355	129,077
Intangible assets	5	813,321,079	705,707,792	20,869,755	20,370,678
Investments in subsidiaries	6	-	-	43,150,982	43,150,982
Investment in an associate	7	3,098,342	2,959,374	-	-
Deferred tax assets	8	508,996	516,325	40,000	30,000
Trade receivables	9	5,910,670	3,629,439	-	-
		1,039,280,501	941,825,921	64,176,092	63,680,737
CURRENT ASSETS					
Trade and other receivables	9	379,462,043	263,699,556	453,305,006	452,097,373
Other current assets	10	3,187,863	2,644,778	2,709,988	2,319,433
Tax recoverable		3,397	23,337	-	-
Cash and bank balances	11	91,598,703	108,511,739	29,373,085	34,369,230
		474,252,006	374,879,410	485,388,079	488,786,036
TOTAL ASSETS		1,513,532,507	1,316,705,331	549,564,171	552,466,773
EQUITY AND LIABILITIES					
EQUITY					
Share capital	12	374,587,310	288,728,212	374,587,310	288,728,212
Reverse acquisition reserve	13	(36,700,000)	(36,700,000)	-	-
Employee share option reserve	14	3,269,170	4,477,145	3,269,170	4,477,145
Retained earnings		306,302,250	250,729,352	23,016,214	27,033,123
Equity attributable to owners of the Company		647,458,730	507,234,709	400,872,694	320,238,480
Non-controlling interest		(2,293)	(1,073)	-	-
TOTAL EQUITY		647,456,437	507,233,636	400,872,694	320,238,480

Statements of Financial Position

For the Year Ended 31 October 2018

	Note	Group		Company	
		2018 RM	2017 RM	2018 RM	2017 RM
NON-CURRENT LIABILITIES					
Loans and borrowings	15	475,694,607	447,578,034	-	-
Trade payables	16	19,137,810	8,511,152	-	-
Deferred tax liabilities	8	11,000	25,000	-	-
		494,843,417	456,114,186	-	-
CURRENT LIABILITIES					
Loans and borrowings	15	133,392,958	120,092,524	23,572,582	16,987,359
Trade and other payables	16	230,745,601	228,268,235	124,046,395	213,690,934
Tax payables		7,094,094	4,996,750	1,072,500	1,550,000
		371,232,653	353,357,509	148,691,477	232,228,293
TOTAL LIABILITIES		866,076,070	809,471,695	148,691,477	232,228,293
TOTAL EQUITY AND LIABILITIES		1,513,532,507	1,316,705,331	549,564,171	552,466,773

Statements of Comprehensive Income

For the Year Ended 31 October 2018

	Note	Group		Company	
		2018 RM	2017 RM	2018 RM	2017 RM
Revenue	17	337,884,731	301,684,427	69,672,492	103,996,370
Cost of sales	18	(238,739,295)	(213,908,388)	(50,752,607)	(75,530,382)
Gross profit		99,145,436	87,776,039	18,919,885	28,465,988
Other income		4,798,947	4,413,439	8,843,031	6,671,985
Administrative expenses		(8,120,153)	(10,764,021)	(13,312,865)	(17,210,054)
Operating profit		95,824,230	81,425,457	14,450,051	17,927,919
Finance costs	19	(10,503,822)	(11,795,017)	(132,376)	(290,401)
Share of results of an associate		138,968	(40,626)	-	-
Profit before tax	20	85,459,376	69,589,814	14,317,675	17,637,518
Tax expense	22	(15,056,452)	(11,987,155)	(3,503,338)	(3,667,690)
Profit for the year		70,402,924	57,602,659	10,814,337	13,969,828
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the year		70,402,924	57,602,659	10,814,337	13,969,828
Profit for the year attributable to:					
Owners of the Company		70,404,144	57,604,032	10,814,337	13,969,828
Non-controlling interest		(1,220)	(1,373)	-	-
		70,402,924	57,602,659	10,814,337	13,969,828
Total comprehensive income for the year attributable to:					
Owners of the Company		70,404,144	57,604,032	10,814,337	13,969,828
Non-controlling interest		(1,220)	(1,373)	-	-
		70,402,924	57,602,659	10,814,337	13,969,828
Earnings per share for profit attributable to the owners of the Company (sen per share)					
- Basic	23	25.75	22.50		
- Diluted	23	25.55	22.33		

Consolidated Statement of Changes in Equity

For the Year Ended 31 October 2018

2018	Note	Share capital		Reverse acquisition reserve		Employee share option reserve		Retained earnings		Total		Non-controlling interest	Total equity
		RM	RM	RM	RM	RM	RM	RM	RM	RM	RM		
At 1 November 2017		288,728,212	(36,700,000)	4,477,145	250,729,352	507,234,709	(1,073)	507,233,636					
Total comprehensive income for the year		-	-	-	70,404,144	70,404,144	(1,220)	70,402,924					
Issuance of ordinary shares:													
- Dividend Reinvestment Scheme ("DRS")	12	10,306,386	-	-	-	10,306,386	-	10,306,386					
- Exercise of Employees' Share Option Scheme ("ESOS")	12	12,559,515	-	(1,207,975)	-	11,351,540	-	11,351,540					
- Private Placement	12	63,468,060	-	-	-	63,468,060	-	63,468,060					
Share issuance expenses	12	(474,863)	-	-	-	(474,863)	-	(474,863)					
Dividend paid	31	-	-	-	(14,831,246)	(14,831,246)	-	(14,831,246)					
At 31 October 2018		374,587,310	(36,700,000)	3,269,170	306,302,250	647,458,730	(2,293)	647,456,437					

← Transactions with owners of the Company →
 ← Non-distributable → Distributable

Consolidated Statement of Changes in Equity

For the Year Ended 31 October 2018

2017	Note	Transactions with owners of the Company									
		Share capital	Share premium	Reverse acquisition reserve	Employee share option reserve	Retained earnings	Total	Non-controlling interest	Total equity		
		RM	RM	RM	RM	RM	RM	RM	RM	RM	
		126,469,236	144,160,784	(36,700,000)	-	206,390,752	440,320,772	-	440,320,772		
		-	-	-	-	57,604,032	57,604,032	(1,373)	57,602,659		
	29	-	-	-	-	-	-	300	300		
		10,464,436	-	-	-	-	10,464,436	-	10,464,436		
	12	7,633,756	-	-	(734,216)	-	6,899,540	-	6,899,540		
	14	-	-	-	5,211,361	-	5,211,361	-	5,211,361		
	31	-	-	-	-	(13,265,432)	(13,265,432)	-	(13,265,432)		
	12	144,160,784	(144,160,784)	-	-	-	-	-	-		
		288,728,212	-	(36,700,000)	4,477,145	250,729,352	507,234,709	(1,073)	507,233,636		

Statement of Changes in Equity

For the Year Ended 31 October 2018

	Note	Non-distributable			Distributable		Total equity RM
		Share capital RM	Share premium RM	Employee share option reserve RM	Retained earnings RM		
At 1 November 2016		126,469,236	144,160,784	-	26,328,727	296,958,747	
Total comprehensive income for the year		-	-	-	13,969,828	13,969,828	
Issuance of ordinary shares							
- DRS	12	10,464,436	-	-	-	10,464,436	
- Exercise of ESOS	12	7,633,756	-	(734,216)	-	6,899,540	
Issuance of ESOS	14	-	-	5,211,361	-	5,211,361	
Dividend paid	31	-	-	-	(13,265,432)	(13,265,432)	
Transition to no-par value regime	12	144,160,784	(144,160,784)	-	-	-	
At 31 October 2017		288,728,212	-	4,477,145	27,033,123	320,238,480	
Total comprehensive income for the year		-	-	-	10,814,337	10,814,337	
Issuance of ordinary shares							
- DRS	12	10,306,386	-	-	-	10,306,386	
- Exercise of ESOS	12	12,559,515	-	(1,207,975)	-	11,351,540	
- Private Placement	12	63,468,060	-	-	-	63,468,060	
Share issuance expenses	12	(474,863)	-	-	-	(474,863)	
Dividend paid	31	-	-	-	(14,831,246)	(14,831,246)	
At 31 October 2018		374,587,310	-	3,269,170	23,016,214	400,872,694	

The accompanying notes form an integral part of the financial statements

Statements of Cash Flows

For the Year Ended 31 October 2018

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	85,459,376	69,589,814	14,317,675	17,637,518
Adjustments for:				
Depreciation of plant and equipment	13,606,746	13,537,447	70,642	124,869
Gain on disposal of plant and equipment	(2,000)	(88,000)	-	-
Amortisation of intangible assets	3,647,725	-	4,793,565	-
Share of results of an associate	(138,968)	40,626	-	-
Profit from construction services contract	(23,883,488)	(36,962,848)	-	-
Unrealised loss/(gain) on foreign exchange	7,342	(1,291,398)	-	-
ESOS expense	-	5,211,361	-	5,211,361
Finance income - unwinding of discount	(1,243,176)	-	-	-
Interest expenses	10,503,822	11,795,017	132,376	290,401
Interest income	(2,543,003)	(2,608,579)	(1,048,547)	(1,035,409)
Operating cash flows before changes in working capital	85,414,376	59,223,440	18,265,711	22,228,740
Changes in receivables	(117,975,392)	(70,755,364)	46,140,884	(39,381,115)
Changes in other current assets	(543,085)	(661,537)	(390,555)	(969,158)
Changes in payables	14,271,532	30,603,731	(50,942,009)	35,743,509
Cash flows (used in)/generated from operating activities	(18,832,569)	18,410,270	13,074,031	17,621,976
Interest paid	(10,503,822)	(10,599,775)	(132,376)	(290,401)
Tax paid	(12,945,839)	(10,034,293)	(3,990,838)	(4,429,698)
Net cash flows (used in)/generated from operating activities	(42,282,230)	(2,223,798)	8,950,817	12,901,877

Statements of Cash Flows

For the Year Ended 31 October 2018

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to intangible assets	(87,377,524)	(129,071,687)	(5,292,642)	(4,585,962)
Purchase of plant and equipment (Note 4)	(1,035,169)	(922,927)	(56,920)	(92,676)
Proceeds from disposal of plant and equipment	2,000	88,000	-	-
Acquisition of subsidiaries, net of cash and cash equivalents (Note 29)	-	300	-	(12)
Acquisition of equity interest in an associate (Note 7)	-	(3,000,000)	-	-
Advances to subsidiaries	-	-	(79,855,527)	(169,623,392)
Repayment from subsidiaries	-	-	32,507,010	132,409,331
Interests received	2,543,003	2,608,579	1,048,547	1,035,409
Net cash flows used in investing activities	(85,867,690)	(130,297,735)	(51,649,532)	(40,857,302)
CASH FLOWS FROM FINANCING ACTIVITIES				
Drawdown of term loans	67,668,722	146,948,007	-	-
Repayment of term loans	(23,958,319)	(17,358,320)	-	-
Net (repayment)/drawdown of borrowings	(4,850,171)	(5,540,285)	6,585,223	(12,704,717)
Withdrawal/(Placement) of short term deposits with licensed banks	1,833,685	(163,542)	-	-
Proceeds from exercise of ESOS	11,351,540	6,899,540	11,351,540	6,899,540
Proceeds from private placements	63,468,060	-	63,468,060	-
Share issuance expenses	(474,863)	-	(474,863)	-
Repayment of finance lease liabilities	(501,026)	(478,852)	-	-
(Repayment to)/Advances from subsidiaries	-	-	(38,702,530)	35,737,440
Dividend paid	(4,524,860)	(2,800,996)	(4,524,860)	(2,800,996)
Net cash flows generated from financing activities	110,012,768	127,505,552	37,702,570	27,131,267
NET CHANGES IN CASH AND CASH EQUIVALENTS	(18,137,152)	(5,015,981)	(4,996,145)	(824,158)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	103,468,664	108,484,645	34,369,230	35,193,388
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (NOTE 11)	85,331,512	103,468,664	29,373,085	34,369,230

Statements of Cash Flows

For the Year Ended 31 October 2018

Note (a):

Reconciliation of liabilities arising from financing activities

Group	Borrowings (excluding bank overdraft)		Finance lease liabilities	Total RM
	Term loans RM	RM	RM	
At 1 November 2017	469,719,791	95,623,195	2,327,572	567,670,558
<i>Cash flows:</i>				
Drawdown of term loans	67,668,722	-	-	67,668,722
Repayment of term loans	(23,958,319)	-	-	(23,958,319)
Net repayment of borrowings	-	(4,850,171)	-	(4,850,171)
Repayment of finance lease liabilities	-	-	(501,026)	(501,026)
Interests paid	(8,257,835)	(2,061,274)	(107,470)	(10,426,579)
	505,172,359	88,711,750	1,719,076	595,603,185
<i>Non-cash changes:</i>				
Interest expenses	8,257,835	2,061,274	107,470	10,426,579
At 31 October 2018	513,430,194	90,773,024	1,826,546	606,029,764

Company	Amount owing Borrowings to subsidiaries		Total RM
	RM	RM	
At 1 November 2017	16,987,359	144,493,144	161,480,503
<i>Cash flows:</i>			
Net drawdown of borrowings	6,585,223	-	6,585,223
Repayment to subsidiaries	-	(38,702,530)	(38,702,530)
Interests paid	(132,376)	-	(132,376)
	23,440,206	105,790,614	129,230,820
<i>Non-cash changes:</i>			
Interest expenses	132,376	-	132,376
At 31 October 2018	23,572,582	105,790,614	129,363,196

Notes to the Financial Statements

For the Year Ended 31 October 2018

1. CORPORATE INFORMATION

Cypark Resources Berhad (the “Company”) is a public limited liability company incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of the principal place of business and registered office of the Company are disclosed in page 10.

The principal activities of the Company are investment holding, environmental engineering, landscaping and infrastructure, maintenance and provision of management services.

The principal activities of the subsidiaries are disclosed in Note 6 to the financial statements.

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

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

The measurement bases applied in the preparation of the financial statements include historical cost, recoverable value, realisable value and fair value. Estimates are used in measuring these values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Fair value measurements are categorised as follows:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The financial statements are presented in Ringgit Malaysia (“RM”), which is also the functional currency of the Group and of the Company.

Notes to the Financial Statements

For the Year Ended 31 October 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Application of new or revised standards

In current year, the Group and the Company have applied a number of new standards, amendments and interpretations that become effective for the financial periods beginning on or after 1 November 2017.

The adoption of the new and revised standards, amendments and interpretations does not have significant impact on the financial statements of the Group and of the Company.

2.3 Standards issued but not yet effective

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

		Applicable for the financial periods beginning on or after
Amendments to MFRS 1 and MFRS 128	Annual Improvements to MFRS Standards 2014–2016 Cycle	1 January 2018
MFRS 9	Financial Instruments	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
Amendments to MFRS 15	Clarifications to MFRS 15	1 January 2018
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018
Amendments to MFRS 140	Transfers of Investment Property	1 January 2018
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
MFRS 16	Leases	1 January 2019
IC Interpretation 23	Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 9	Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures	1 January 2019
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 3, MFRS 11, MFRS 112 and MFRS 123	Annual Improvements to MFRS standards 2015-2017 Cycle	1 January 2019

Notes to the Financial Statements

For the Year Ended 31 October 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Standards issued but not yet effective (cont'd)

		Applicable for the financial periods beginning on or after
Amendments to MFRSs	Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Amendments to MFRS 3	Definition of a Business	1 January 2020
Amendments to MFRS 101 and MFRS 108	Definition of Material	1 January 2020
MFRS 17	Insurance Contracts	1 January 2021
Amendments to MFRS 10 and MFRS 128	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced by MASB

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

MFRS 9 Financial Instruments

MFRS 9 addresses the classification, recognition, derecognition, measurement and impairment of financial assets and financial liabilities, as well as general hedge accounting. It replaces MFRS 139. MFRS 9 requires financial assets to be classified into two measurement categories, i.e. at fair value and at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the MFRS 139 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to changes in an entity's own credit risk is recorded in other comprehensive income, unless this creates an accounting mismatch. MFRS 9 contains a new impairment model based on expected losses (as oppose to 'incurred loss' model under MFRS 139), i.e. a loss event needs not occur before an impairment loss is recognised, which will result in earlier recognition of losses.

The Group and the Company have assessed the effects of adopting MFRS 9 on their financial assets and liabilities instruments. The Group and the Company expect financial impact of adopting MFRS 9 for both classification of financial assets and financial liabilities and impairment assessment of financial assets will not be material on the financial position and performance of the Group and of the Company for the financial year ended 31 October 2018.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Standards issued but not yet effective (cont'd)

MFRS 15 Revenue from Contracts with Customers

MFRS 15 introduces a new model for revenue recognition arising from contracts with customers. MFRS 15 will replace MFRS 111 *Construction Contracts*, MFRS 118 *Revenue*, IC Interpretation 13 *Customer Loyalty Programmes*, IC Interpretation 15 *Agreements for the Construction of Real Estate*, IC Interpretation 18 *Transfers of Assets from Customers* and IC Interpretation 31 *Revenue - Barter Transactions Involving Advertising Services*. The application of MFRS 15 may result in difference in timing of revenue recognition as compared with current accounting policies.

The Group and the Company have assessed the effects of adopting MFRS 15 to the financial statements. The Group and the Company expect financial impact of adopting MFRS 15 will not be material on the financial position and performance of the Group and of the Company for the financial year ended 31 October 2018.

MFRS 16 Leases

Currently under MFRS 117 *Leases*, leases are classified either as finance leases or operating leases. A lessee recognises on its statement of financial position assets and liabilities arising from finance leases but not operating leases. MFRS 16 eliminates the distinction between finance and operating leases for lessees. All leases will be brought onto its statement of financial position, and recording of certain leases as off-balance sheet leases will no longer be allowed except for some limited exemptions. For a lessee that has material operating leases, the application of MFRS 16 may result in significant increase in assets and liabilities reported on its statement of financial position as compared with MFRS 117.

MFRS 16 will replace MFRS 117 *Leases*, IC Interpretation 4 *Determining whether an Arrangement contains a Lease*, IC Interpretation 115 *Operating Leases - Incentives* and IC Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

The Group and the Company are currently assessing the impact to the financial statements upon adopting MFRS 16, and will adopt MFRS 16 on the mandatory effective date.

2.4 Basis of consolidation

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

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

- (i) power over the investee;
- (ii) exposure, or rights, to variable returns from its involvement with the investee; and
- (iii) the ability to use its power over the investee to affect the amount of the investor's returns.

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

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

Notes to the Financial Statements

For the Year Ended 31 October 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Basis of consolidation (cont'd)

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

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

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

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

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

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

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

- The cost of the business combination is deemed to have been incurred by CSB in the form of equity instruments issued to the owners of the Company. CSB's shares were not listed prior to the acquisition and consequently the cost of the business combination has been based on the fair value of the Company's shares in issue immediately before the reverse acquisition;
- The assets and liabilities of CSB are recognised and measured in the consolidated financial statements at their pre-combination carrying amounts. The retained earnings and other equity balances recognised in the consolidated financial statements are those of CSB immediately before the business combination;
- The Company has been consolidated from the date of the reverse acquisition using the fair value of the identifiable assets, liabilities and contingent liabilities at that date. The cost of business combination was RM2 and therefore, goodwill of RM127,316 arose from the reverse acquisition; and
- The amount recognised as issued instruments in the consolidated financial statements is determined by adding the cost of business combination to the issued equity of CSB immediately before the business combination. However, the equity structure appearing in the consolidated financial statements is of the Company. Therefore, a reverse acquisition reserve of RM36,700,000 has been created, being the difference between the required Group's equity structure and the reported equity of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Basis of consolidation (cont'd)

Changes of Interests in Subsidiaries

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

Loss of control

When the Company loses control of a subsidiary:

- (i) It derecognises the assets and liabilities, non-controlling interests, and other amounts previously recognised in other comprehensive income relating to the former subsidiary.
- (ii) It recognises any gain or loss in profit or loss attributable to the Group, which is calculated as the difference between (i) the aggregate of the fair value of the consideration received, if any, from the transaction, event or circumstances that resulted in the loss of control; plus any investment retained in the former subsidiary at its fair value at the date when control is lost; and (ii) the net carrying amount of assets, liabilities, goodwill and any non-controlling interests attributable to the former subsidiary at the date when control is lost.
- (iii) It recognises any investment retained in the former subsidiary at its fair value when control is lost and subsequently accounts for it and for any amounts owed by or to the former subsidiary in accordance with relevant MFRS. That fair value shall be regarded as the fair value on initial recognition of a financial asset in accordance with MFRS 9 or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture.

Transactions with non-controlling interests

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in profit or loss of the Group and within equity in the consolidated statements of financial position, separately from parent shareholders' equity.

Transactions with non-controlling interests are accounted for using the entity concept method, whereby, transactions with minority interests are accounted for as transactions with owners.

On acquisition of non-controlling interests, the difference between the consideration and book value of the share of the net assets acquired is recognised directly in equity. Gain or loss on disposal to non-controlling interests is recognised directly in equity.

2.5 Business combination

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

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

Notes to the Financial Statements

For the Year Ended 31 October 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Business combination (cont'd)

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

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

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

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

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

2.6 Investments in subsidiaries

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

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

2.7 Investment in an associate

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Investment in an associate (cont'd)

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

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

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

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

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

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

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

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

2.8 Plant and equipment

(a) Measurement basis

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

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

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

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

Notes to the Financial Statements

For the Year Ended 31 October 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Plant and equipment (cont'd)

(b) Depreciation

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

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

The principal annual rates used for this purpose are:

Machinery, furniture and site equipment	20%
Office equipment and renovation	10% - 20%
Motor vehicles	20%
Computer and peripherals	20% - 33.33%
Plant	4.76%

The residual values, useful lives and depreciation method are reviewed, and adjusted if appropriate, at each reporting date.

2.9 Intangible assets

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

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

Intangible asset is not amortised during the year as the concession asset is still under construction. The amortisation begins when the concession asset is completed and ready for it to be capable of operating in the manner intended by management. The management intends to adopt the revenue-based amortisation policy over the duration of the concession agreement, which is in line with the pattern in which the asset's economic benefits are consumed.

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

The intangible asset model, as defined in IC 12, applies to service concession arrangements where the grantor has not provided a contractual guarantee in respect of the amount receivable for constructing and operating the asset. Under this model, during construction or upgrade phase, the Group records an intangible asset representing the right to charge users of the public service and recognised profits from the construction or upgrade of the public service infrastructure. Income and expenses associated with construction contracts are recognised in accordance with MFRS 111 *Construction Contracts*.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Intangible assets (cont'd)

(b) Development expenditure

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

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

- (i) it is technically feasible to complete the intangible asset so that it will be available for use or sale;
- (ii) management intends to complete the intangible asset and use or sell it;
- (iii) there is an ability to use or sell the intangible asset;
- (iv) it can be demonstrated how the intangible asset will generate probable future economic benefits;
- (v) adequate technical, financial and other resources, to complete the development projects and to use or sell the intangible asset, are available; and
- (vi) the expenditure attributable to the intangible asset during its development can be reliably measured.

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

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

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

(c) Goodwill

Goodwill represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities.

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

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

Notes to the Financial Statements

For the Year Ended 31 October 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Impairment of non-financial assets

(a) Goodwill

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

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

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

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

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

(b) Other non-financial assets

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Financial instruments

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Initial recognition and measurement

A financial instrument is recognised in the financial statements when, and only when, the Group and the Company become a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

(b) Financial instrument categories and subsequent measurement

Financial assets

Financial assets are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. Management determines the classification of the financial assets upon initial recognition depends on the nature and purpose of the financial assets.

Financial assets at fair value through profit or loss

This category includes financial assets held for trading, including derivatives (except for a derivative that is a designated and effective hedging instrument) and financial assets that are specifically designated into this category upon initial recognition. On initial recognition, these financial assets are measured at fair value.

The subsequent measurement of financial assets in this category is at fair values with changes in fair value recognised as gains or losses.

The Group and the Company have not designated any financial assets at fair value through profit or loss.

Loans and receivables

This category comprises trade and other receivables and cash and cash equivalents. They are included in current assets, except for maturities greater than 12 months after the reporting date, which are classified as non-current assets.

The subsequent measurement of financial assets in this category is at amortised cost using the effective interest method, less allowance for impairment losses.

Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities at amortised cost.

Notes to the Financial Statements

For the Year Ended 31 October 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Financial instruments (cont'd)

- (b) Financial instrument categories and subsequent measurement (cont'd)

Financial liabilities (cont'd)

Financial liabilities at fair value through profit or loss comprises financial liabilities that are held for trading, derivatives (except for a designated and effective hedging instrument) and financial liabilities that are specifically designated into this category upon initial recognition. These financial liabilities are subsequently measured at their fair values with the gain or loss recognised in the profit or loss.

The Group and the Company only have financial liabilities categorised as financial liabilities at amortised cost which are measured using the effective interest method and are recognised in profit or loss.

- (c) Derecognition of financial assets and liabilities

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset.

On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received together with any cumulative gain or loss that has been recognised in equity is recognised in profit or loss.

A financial liability or part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expired.

On derecognition of a financial liability, the difference between the carrying amount and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

2.12 Impairment of financial assets

All financial assets, except for investments in subsidiaries and associate, are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment.

Assets carried at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against carrying amount of the financial asset.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 Impairment of financial assets (cont'd)

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

Assets carried at cost

If there is objective evidence that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Such impairment losses are not reversed in subsequent periods.

2.13 Equity instruments

Equity instruments are initially recognised at the proceed received or receivable; and are not remeasured subsequently.

(a) Shares

Ordinary shares are classified as equity.

(b) Transaction cost

The transaction costs of an equity transaction (e.g. issue of shares) are accounted for as a deduction from equity to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

(c) Distributions

Distributions to holders of an equity instrument shall be debited directly to equity. The liability to pay a dividend shall be recognised when the dividend is appropriately authorised and is no longer at the discretion of the issuer.

2.14 Revenue recognition

(a) Landscaping, infrastructure, environmental engineering projects and maintenance contracts

The contracts comprise revenue from providing an integral turnkey contract services, management services and planning and design services for external built environments and infrastructure works.

Revenue from landscaping, infrastructure and environmental engineering projects are recognised based on claims submitted to or certified by customers. Maintenance contracts are based on scheduled monthly work performed as stipulated in the contracts.

Revenue from landfill projects are recognised based on work performed in accordance to a percentage of completion basis.

Notes to the Financial Statements

For the Year Ended 31 October 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Revenue recognition (cont'd)

- (b) Sale of electricity generated from renewable energy park

Revenue from the sale of electricity generated from the renewable energy park is recognised as and when the electricity is delivered to the off-taker, based on the invoiced value of sale of electricity computed at a pre-determined rate. This revenue also includes an estimated value of the electricity delivered from the date of their last meter reading and period end. Accrued unbilled revenues are reversed in the following month when actual billings occur.

- (c) Construction contracts

Revenue from construction contracts is recognised on the percentage of completion method where the outcome of the contracts can be reliably estimated.

Revenue from construction contracts represents the proportionate contract value on construction contracts attributable to the percentage of contract work performed during the financial year.

- (d) Management fee

Revenue from management fee is recognised when the services are rendered.

- (e) Dividend income

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

- (f) Interest income

Interest income is recognised using the effective interest method.

- (g) Services

Revenue from services fee is recognised when the services are performed.

2.15 Leases

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time.

- (a) Finance lease

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred.

Plant and equipment acquired by way of finance leases are stated at amount equal to the lower of their fair values and the present value of minimum lease payments at the inception of the leases, less accumulated depreciation and any impairment losses.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 Leases (cont'd)

(a) Finance lease (cont'd)

In calculating the present value of the minimum lease payments, the discount rate is the interest rate implicit in the leases, if this is determined, if not the Group's incremental borrowing rate is used.

(b) Operating lease

An operating lease is a lease other than a finance lease.

Operating lease income or operating lease rentals are credited or charged to profit or loss on a straight-line basis over the period of the lease.

2.16 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

2.17 Employee benefits

(a) Short term employee benefits

Wages, salaries, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as an expense in the period in which the associated services are rendered by employees.

(b) Defined contribution plans

The Company and its subsidiaries pay monthly contributions to the Employees Provident Fund ("EPF") which is a defined contribution plan.

The legal or constructive obligation of the Company and its subsidiaries is limited to the amount that they agree to contribute to the EPF. The contributions to the EPF are charged to profit or loss in the period to which they relate.

Notes to the Financial Statements

For the Year Ended 31 October 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.17 Employee benefits (cont'd)

(c) Employees leave entitlement

Employees entitlement to annual leave are recognised as a liability when they accrue to the employee. The estimated liability for leave is recognised for services rendered by employees up to the reporting date.

(d) Employees' Share Option Scheme ("ESOS")

Employees and directors of the Group receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled transactions with employees and directors is measured by reference to the fair value of the options at the date on which the options are granted. This cost is recognised in profit or loss, with a corresponding increase in the employee share option reserve over the vesting period.

The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised at the beginning and end of that period.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

The employee share option reserve is transferred to retained earnings upon expiry of the share options. When the options are exercised, the employee share option reserve is transferred to share capital if new shares are issued.

2.18 Government grant

Government grants, including non-monetary grants at fair value, shall not be recognised until there is reasonable assurance that: (a) the Group will comply with the conditions attaching to them; and (b) the grants will be received.

Government grants shall be recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. The Group has presented the grant as a deduction in the related expenses.

2.19 Income tax

The income tax expense in profit or loss represents the aggregate amount of current tax and deferred tax.

Current tax is the expected income tax payable or receivable on the taxable income or loss for the year, estimated using the tax rates enacted or substantially enacted by the end of the reporting period.

On the statements of financial position, a deferred tax liability is recognised for taxable temporary differences while a deferred tax asset is only recognised for deductible temporary differences and unutilised tax losses to the extent that it is probable that taxable profit will be available in future against which the deductible temporary differences and unutilised tax losses can be utilised.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.19 Income tax (cont'd)

No deferred tax is recognised for temporary differences arising from the initial recognition of an asset or liability in a transaction that:

- (i) is not a business combination; and
- (ii) at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured based on tax consequences that would follow from the manner in which the asset or liability is expected to be recovered or settled, and based on the tax rates enacted or substantively enacted by the end of the reporting period that are expected to apply to the period when the asset is realised or when the liability is settled.

Current tax and deferred tax are charged or credited directly to other comprehensive income if the tax relates to items that are credited or charged, whether in the same or a different period, directly to other comprehensive income.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to same taxable entity and the same taxation authority.

2.20 Foreign currencies

- (a) Functional currency is the currency of the primary economic environment in which an entity operates.

The financial statements of each entity within the Group are measured using their respective functional currency.

- (b) Transactions and balances in foreign currencies

Transactions in currencies other than the functional currency ("foreign currencies") are translated to the functional currency at the rate of exchange ruling at the date of the transaction.

Monetary items denominated in foreign currencies at the reporting date are translated at foreign exchange rates ruling at that date.

Non-monetary items which are measured in terms of historical costs denominated in foreign currencies are translated at foreign exchange rates ruling at the date of the transaction.

Non-monetary items which are measured at fair values denominated in foreign currencies are translated at the foreign exchange rates ruling at the date when the fair values were determined.

Exchange differences arising on the settlement of monetary items and the translation of monetary items are included in profit or loss for the period.

When a gain or loss on a non-monetary item is recognised directly in other comprehensive income, any corresponding exchange gain or loss is recognised directly in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any corresponding exchange gain or loss is recognised in profit or loss.

Notes to the Financial Statements

For the Year Ended 31 October 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.20 Foreign currencies (cont'd)

- (c) Translation of foreign operations

For consolidation purposes, all assets and liabilities of foreign operations that have a functional currency other than RM are translated at the exchange rates ruling at the reporting date.

Income and expense items are translated at exchange rates approximating those ruling on transactions dates.

All exchange differences arising from the translation of the financial statements of foreign operations are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in profit or loss.

2.21 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, short term deposits at call and short term deposits pledged to banks which are subject to insignificant risk of changes in value and have average maturity below 90 days.

For the purpose of statements of cash flows, cash and cash equivalents exclude short term deposits with maturity above 90 days and are presented net of bank overdraft.

2.22 Construction contracts

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised over the period of contract as revenue and expenses respectively. The Group and the Company use the percentage of completion method to determine the appropriate amount of revenue and costs to recognise in a given period; the stage of completion is measured by reference to the certified work done to date of the proportion the contract costs incurred for work performed to date compared to the estimated total contract costs.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable; contract costs are recognised as an expense in the period in which they are incurred.

Irrespective of whether the outcome of the construction contract can be estimated reliably, when it is probable that the total contract costs will exceed the total contract revenue, the expected loss is recognised as an expense immediately.

The aggregate of the cost incurred and the attributable profit or loss recognised on each contract is compared against the progress billing up to the financial year end. When costs incurred plus attributable profits (less foreseeable losses, if any), exceed progress billing, the balance is shown as amount due from customers on construction contracts under receivables (within current assets). Where progress billing exceeds cost incurred plus attributable profits (less foreseeable losses, if any), the balance is shown as amount due to customers on construction contracts under payables (within current liabilities).

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.23 Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.24 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Company, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

At the reporting date, no value was placed on corporate guarantee provided by the Company to secure credit facility granted to its subsidiaries because there was no significant difference in the net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee where the directors regard the value of the credit enhancement provided by the corporate guarantee as minimal.

2.25 Segment reporting

For management purposes, the Group is organised into operating segments based on their services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Group who regularly reviews the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 30 to the financial statements, including the factors used to identify the reportable segments and the measurement basis of segment information.

For management purposes, the Group is organised into operating segments based on their services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Group who regularly reviews the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 30 to the financial statements, including the factors used to identify the reportable segments and the measurement basis of segment information.

Notes to the Financial Statements

For the Year Ended 31 October 2018

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of financial statements requires management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosures of contingent assets and liabilities at the end of reporting period, and reported amounts of income and expenses during the financial year.

Although these estimates are based on management's best knowledge of current events and actions, historical experiences and various other factor, including expectations for future events that are believed to be reasonable under the circumstances, actual results may ultimately differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

3.1 Judgments made in applying accounting policies

The significant judgements made by management in the process of applying the Group's and the Company's accounting policies that have a significant effect on the amounts recognised in the financial statements are as follows:

(a) Revenue from landscaping, infrastructure and environmental engineering projects

The Group and the Company recognise revenue from landscaping, infrastructure and environmental projects based on claims submitted to or certified by customers. However, there are circumstances where revenue is recognised based on work performed but yet to be certified by customers, which are commonly encountered in the final claim submitted upon the completion of the entire project.

In such circumstances, significant judgement is required in determining the amount to be recognised as revenue based on work performed. In making the judgement, the Group and the Company evaluate based on past experience and by relying on the work of other specialists. It is also the policy of the Group and of the Company to have informal discussion with the customers on the amount to be claimed before the formal claims are submitted.

The directors are of the opinion that all claims submitted based on work performed will not differ materially from the eventual certification by the customers.

(b) Revenue from construction and services contracts

The Group and the Company recognise contract revenue and cost based on percentage of completion method. The stage of completion is measured by reference to the contract costs incurred for work performed to date bear to the estimated total contract costs. Significant judgement is required in determining the stage of completion, the extent of the contract costs incurred, the estimated total contract revenue (for contracts other than fixed price contracts) and contract costs, as well as the recoverability of the contracts. Total contract revenue also includes an estimation of the recoverable variation works that are recoverable from customers. In making these judgements, the Group and the Company rely on past experience and work of specialist.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

3.1 Judgments made in applying accounting policies (cont'd)

- (c) Revenue and cost recognition for intangible assets model

The Group adopts the intangible asset model as defined in IC 12, and has recognised a reasonable construction margin for the construction of its concession assets. Income and expenses associated with the said construction are recognised based on percentage of completion method. The estimated margin is based on relative fair value of the concession assets less estimated cost of construction of the concession assets.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources associated with estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are as follows:

- (a) Impairment of intangible assets

The Group and the Company determine whether concession asset, development expenditure and goodwill are impaired at least on an annual basis. This requires an estimation of the value in use of the CGU to which these assets are allocated. Estimating the value in use requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those future cash flows. The future cash flows are most sensitive to budgeted gross margins, growth rates and discount rate used. If the expectation is different from the estimation, such difference will impact the carrying amounts of the intangible assets.

- (b) Impairment of investments in subsidiaries

Investments in subsidiaries are assessed at the end of each reporting period to determine whether there is any indication of impairment. If such an indication exists, an estimation of the recoverable amount is required. Estimating the recoverable amount requires management to make an estimate of the expected future cash flows from the Company's investments in subsidiaries and also choose a suitable discount rate in order to calculate the present value of those cash flows.

- (c) Depreciation and impairment of plant and equipment

The Group and the Company review the estimated useful lives of plant and equipment at the end of each reporting period. Changes in the expected useful lives of plant and equipment could impact future depreciation charges.

Plant and equipment are assessed at the end of each reporting period to determine whether there is any indication of impairment. If such an indication exists, an estimation of the recoverable amount is required. Estimating the recoverable amount requires management to make an estimate of the expected future cash flows from the plant and equipment or the related cash generating unit.

- (d) Amortisation and useful lives of development expenditure

Development expenditure of the Group and the Company that is ready for sale or use is amortised over its estimated useful life. The determination of the estimated useful life of the development expenditure requires management's judgement which includes analysing the circumstances, the industry and market practice.

Notes to the Financial Statements

For the Year Ended 31 October 2018

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

3.2 Key sources of estimation uncertainty (cont'd)

The key assumptions concerning the future and other key sources associated with estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are as follows: (cont'd)

(e) Impairment of loans and receivables

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's and the Company's loans and receivables at the reporting date is disclosed in Note 9 to the financial statements.

(f) ESOS

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and model used for estimating fair value for payment transactions are disclosed in Note 14 to the financial statements.

(g) Income taxes

Significant judgement is involved in determining the capital allowances and deductibility of expenses during the estimation of the provision for income tax. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group and the Company recognise liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(h) Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unutilised tax credits and tax losses to the extent that it is probable that taxable profits will be available in future against which the deductible temporary differences and unutilised tax losses can be utilised.

Significant judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profit together with future tax planning strategies.

Notes to the Financial Statements

For the Year Ended 31 October 2018

4. PLANT AND EQUIPMENT

Group	Machinery, furniture and site equipment RM	Office equipment and renovation RM	Motor vehicles RM	Computer and peripherals RM	Plant RM	Capital work-in- progress RM	Total RM
Cost							
At 1 November 2016	3,705,764	692,475	4,143,662	1,498,111	265,743,254	19,710,793	295,494,059
Additions	-	126,573	1,163,763	22,707	-	638,884	1,951,927
Disposals	-	-	(547,830)	-	-	-	(547,830)
At 31 October 2017	3,705,764	819,048	4,759,595	1,520,818	265,743,254	20,349,677	296,898,156
Additions	-	546,836	-	60,720	-	427,613	1,035,169
Disposals	-	-	(93,587)	-	-	-	(93,587)
At 31 October 2018	3,705,764	1,365,884	4,666,008	1,581,538	265,743,254	20,777,290	297,839,738
Accumulated depreciation							
At 1 November 2016	2,270,589	616,679	2,729,790	1,338,947	47,939,543	-	54,895,548
Charge for the year	173,029	88,825	555,333	62,418	12,657,842	-	13,537,447
Disposals	-	-	(547,830)	-	-	-	(547,830)
At 31 October 2017	2,443,618	705,504	2,737,293	1,401,365	60,597,385	-	67,885,165
Charge for the year	156,525	114,059	618,420	59,900	12,657,842	-	13,606,746
Disposals	-	-	(93,587)	-	-	-	(93,587)
At 31 October 2018	2,600,143	819,563	3,262,126	1,461,265	73,255,227	-	81,398,324
Net carrying amount							
At 31 October 2018	1,105,621	546,321	1,403,882	120,273	192,488,027	20,777,290	216,441,414
At 31 October 2017	1,262,146	113,544	2,022,302	119,453	205,145,869	20,349,677	229,012,991

Notes to the Financial Statements

For the Year Ended 31 October 2018

4. PLANT AND EQUIPMENT (CONT'D)

Company	Office equipment and renovation RM	Motor vehicles RM	Computer and peripherals RM	Total RM
Cost				
At 1 November 2016	458,850	30,049	312,981	801,880
Additions	69,969	-	22,707	92,676
At 31 October 2017	528,819	30,049	335,688	894,556
Additions	-	-	56,920	56,920
At 31 October 2018	528,819	30,049	392,608	951,476
Accumulated depreciation				
At 1 November 2016	437,474	29,404	173,732	640,610
Charge for the year	69,621	645	54,603	124,869
At 31 October 2017	507,095	30,049	228,335	765,479
Charge for the year	18,069	-	52,573	70,642
At 31 October 2018	525,164	30,049	280,908	836,121
Net carrying amount				
At 31 October 2018	3,655	-	111,700	115,355
At 31 October 2017	21,724	-	107,353	129,077

Acquisitions of plant and equipment during the financial year were financed by:

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Cash payments	1,035,169	922,927	56,920	92,676
Finance lease arrangement	-	1,029,000	-	-
	1,035,169	1,951,927	56,920	92,676

Notes to the Financial Statements

For the Year Ended 31 October 2018

4. PLANT AND EQUIPMENT (CONT'D)

Assets held under finance lease

The carrying amount of Group's motor vehicles held under finance leases at the reporting date was RM1,403,882 (2017: RM2,022,302).

The Group's motor vehicles held under finance leases are pledged as security for the related lease liabilities (Note 25 (c)).

Capital work in-progress

The capital work in-progress relates to expenditures for renewable energy plants in the course of construction.

Capitalisation of borrowing costs

The Group's plant and equipment include borrowing costs arising from bank loans borrowed specifically for the purpose of the construction of the plants. During the financial year, the borrowing costs capitalised as cost of plant and equipment amounted to RM354,677 (2017: RM397,954).

5. INTANGIBLE ASSETS

Group	Intangible asset recognised pursuant to IC 12 RM	Development expenditure RM	Club membership RM	Goodwill RM	Total RM
Cost					
At 1 November 2016	526,605,169	12,442,940	170,000	455,148	539,673,257
Additions	162,861,368	3,165,963	-	7,204	166,034,535
At 31 October 2017	689,466,537	15,608,903	170,000	462,352	705,707,792
Additions	107,278,371	3,982,641	-	-	111,261,012
At 31 October 2018	796,744,908	19,591,544	170,000	462,352	816,968,804

Notes to the Financial Statements

For the Year Ended 31 October 2018

5. INTANGIBLE ASSETS (CONT'D)

Group	Intangible asset recognised pursuant to IC 12 RM	Development expenditure RM	Club membership RM	Goodwill RM	Total RM
Accumulated amortisation					
At 1 November 2016/ 31 October 2017	-	-	-	-	-
Charge for the year	-	3,647,725	-	-	3,647,725
At 31 October 2018	-	3,647,725	-	-	3,647,725

Net carrying amount

At 31 October 2018	796,744,908	15,943,819	170,000	462,352	813,321,079
At 31 October 2017	689,466,537	15,608,903	170,000	462,352	705,707,792

Company	2018 RM	2017 RM
Development expenditure		
Cost		
At 1 November	20,370,678	15,784,716
Additions	5,292,642	4,585,962
At 31 October	25,663,320	20,370,678
Accumulated amortisation		
At 1 November	-	-
Charge for the year	(4,793,565)	-
At 31 October	(4,793,565)	-
Net carrying amount		
At 31 October	20,869,755	20,370,678

Notes to the Financial Statements

For the Year Ended 31 October 2018

5. INTANGIBLE ASSETS (CONT'D)

(a) Intangible asset recognised pursuant to IC 12

On 9 November 2015, a wholly-owned subsidiary of the Company, Cypark Smart Technology Sdn. Bhd. ("CST") entered into a Concession Agreement ("CA") with the Solid Waste and Public Cleansing Management Corporation and the Government of Malaysia, which was represented by the Ministry of Housing and Local Government.

Pursuant to the Solid Waste and Public Cleansing Management Act 2007 (Act 672) and on a Public Private Partnership basis, the Government awarded to CST, the rights to undertake the design, construction, maintenance, operation and management of Solid Waste Modular Advanced Recovery and Treatment Systems incorporating Waste-to-Energy systems (the "SMART WTE System") at Ladang Tanah Merah, Negeri Sembilan under Build-Operate-Manage-Transfer concept for a period of 25 years, subject to the terms and conditions of the CA.

The SMART WTE System that entails SMART technology and design which utilises 100% clean technology concepts and system to produce renewable source for the production of renewable energy. The system consists of the following:

- Waste Receiving Facility
- Waste Segregation Facility
- Waste Recycling Facility
- Waste to Energy Plant
- Fully Anaerobic Bioreactor System
- Sanitary Landfill

Under the CA, the Government shall deliver the municipal waste from designated scheme areas to CST for treatment and disposal at the SMART WTE System. CST is entitled to be paid an agreed fee as defined in the CA known as tipping fees. CST shall also be generating revenue from sales of electricity for converting the waste to clean renewable energy under the Sustainable Energy Development Authority Malaysia ("SEDA") Act. CST has successfully secured the Feed-in Tariff ("FiT") quota to supply 25MW renewable energy from waste to energy source by SEDA pursuant to Section 7 of the Renewable Energy Act 2011.

Intangible asset represents fair value of the consideration receivable for the construction of the SMART WTE System during the construction stage on a mark-up basis of the cost incurred in connection with the CA.

As the concession asset is still under construction, hence the intangible asset is not amortised until it is complete or ready for it to be capable of operating in the manner intended by management.

The recoverable amount has been determined based on value in use calculation using cash flows projections covering a period of 25 years from financial budgets approved by the directors.

The Group believes that any possible change in the above key assumptions applied is not likely to materially cause recoverable amount to be lower than its carrying amount.

During the financial year, the borrowing costs capitalised in the intangible asset amounted to RM27,330,720 (2017: RM19,263,033).

The intangible asset is pledged as security for the borrowing as disclosed in Note 15 to the financial statements.

Notes to the Financial Statements

For the Year Ended 31 October 2018

5. INTANGIBLE ASSETS (CONT'D)

(b) Development expenditure

Development expenditure comprise of expenditures incurred on designing and testing of new or substantially improved products and processes relating to the use of a special technique and design of tools in renewable energy industry. Management believes that it will increase the yield and profit streams principally from renewable energy segment where it can be reasonably anticipated that the costs will be recovered through commercialisation, sale and marketing of all the resulting products from the development.

The recoverable amount has been determined based on value in use calculation using cash flows projections covering a period of 21 years from financial budgets approved by the directors.

The Group believes that any possible change in the above key assumptions applied is not likely to materially cause recoverable amount to be lower than its carrying amount.

(c) Goodwill

Goodwill arises from the reverse acquisition of the Company and also the business combination of certain subsidiaries in renewable energy segment. Goodwill is allocated, at acquisition date, to CGU that are expected to benefit from that business combination.

The Group tests the goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

(i) Goodwill arises from reverse acquisition

The recoverable amount of this goodwill has been determined based on value in use calculation using cash flow projections from financial budgets approved by the directors covering a five-year period.

(ii) Goodwill allocated to subsidiaries in sale of renewable energy segment

The recoverable amount of this goodwill has been determined based on value in use calculation using cash flow projections covering a period of 21 years from financial budgets approved by the directors.

The cash flows were projected based on past experience, actual operating results and long term budget as the subsidiaries have entered into Renewable Energy Power Purchase Agreement ("REPPA") with Tenaga Nasional Berhad for the sale of green electricity to them for a duration of 21 years from the day of inception. Management believe that the forecast was justified due to the long term nature of the business.

The revenue is projected in accordance with the installed capacity of the plant and FiT rate as stated in the REPPA. The budgeted gross margin used to determine the gross margin is the average gross margin achieved in the similar industry and achieved by the subsidiaries in the period immediately before the budget period.

The Group believes that any possible change in the above key assumptions applied is not likely to materially cause recoverable amount to be lower than its carrying amount.

The Group applies pre-tax discount rates ranging from 7% to 12% (2017: 7% to 12%) to the relevant future cash flows.

Notes to the Financial Statements

For the Year Ended 31 October 2018

6. INVESTMENTS IN SUBSIDIARIES

	Company	
	2018	2017
	RM	RM
Unquoted shares, at cost	43,150,982	43,150,982

The subsidiaries, all incorporated in Malaysia, are as follows:

Name of subsidiaries	Principal activities	Proportion (%) of ownership interest	
		2018	2017
<i>Held by the Company:</i>			
Cypark Sdn. Bhd.	Landscape specialist that offers integrated turnkey contract services, management services, planning and design services for external built environment and landscape maintenance services, project management services and infrastructure developments	100	100
Cypark Renewable Energy Sdn. Bhd.	Investment holding and renewable energy specialist that offers environmental engineering and integrated turnkey contract services, management services and planning and design services	100	100
Cypark Smart Resources Sdn. Bhd.	Investment holding	100	100
Cypark FMS Sdn. Bhd.*	Investment holding	100	100
Cypark Green Tech Sdn. Bhd.*	Investment holding	100	100
<i>Held through Cypark Renewable Energy Sdn. Bhd.:</i>			
Cypark Suria (Negeri Sembilan) Sdn. Bhd.	Investment holding	100	100
Kenari Pasifik Sdn. Bhd.*#	Investment holding	-	-
Tiara Insight Sdn. Bhd.*#	Investment holding	-	-
Semangat Sarjana Sdn. Bhd.*#	Investment holding	-	-
Cypark Ref Sdn. Bhd.*	Renewable Energy	100	-
<i>Held through Cypark Suria (Negeri Sembilan) Sdn. Bhd.:</i>			
Cypark Suria (Pajam) Sdn. Bhd.	Renewable energy	100	100
Cypark Suria (Kuala Sawah) Sdn. Bhd.	Renewable energy	100	100
Cypark Suria (Bukit Palong) Sdn. Bhd.	Dormant	100	100
Cypark Suria (Sua Betong) Sdn. Bhd.	Dormant	100	100

Notes to the Financial Statements

For the Year Ended 31 October 2018

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The subsidiaries, all incorporated in Malaysia, are as follows (cont'd):

Name of subsidiaries	Principal activities	Proportion (%) of ownership interest	
		2018	2017
<i>Held through Kenari Pasifik Sdn. Bhd.:</i>			
Gaya Dunia Sdn. Bhd.*#	Renewable energy	-	-
<i>Held through Tiara Insight Sdn. Bhd.:</i>			
Rentak Raya Sdn. Bhd.*#	Renewable energy	-	-
<i>Held through Semangat Sarjana Sdn. Bhd.:</i>			
Ambang Fiesta Sdn. Bhd.*#	Renewable energy	-	-
<i>Held through Cypark Smart Resources Sdn. Bhd.:</i>			
Cypark Smart Technology Holdings Sdn. Bhd.	Investment holding	100	100
<i>Held through Cypark Smart Technology Holdings Sdn. Bhd.:</i>			
Cypark Smart Technology (NS) Sdn. Bhd.	Investment holding	100	100
<i>Held through Cypark Smart Technology (NS) Sdn. Bhd.:</i>			
Cypark Smart Technology Sdn. Bhd.	Waste management facilities	100	100
<i>Held through Cypark FMS Sdn. Bhd.:</i>			
Aomori Kogaku Sdn. Bhd.*	Dormant	70	70
<i>Held through Cypark Green Tech Sdn. Bhd.:</i>			
Reviva Sdn. Bhd.*	Investment holding	100	100
Cypark RE Store Sdn. Bhd.*	Dormant	100	100

* Audited by firm other than Mazars PLT

Refer to Note 6 (b)

Notes to the Financial Statements

For the Year Ended 31 October 2018

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(a) In the prior year, the Company increased its equity interest in Cypark Renewable Energy Sdn. Bhd. ("CRE") from RM1,000,000 to RM2,000,000 by way of subscribing 1,000,000 ordinary shares of RM1 each in CRE through the capitalisation of amount owing by CRE amounting RM1,000,000 to the Company.

(b) Business combination

The Group has control over the financial and operating policies of these entities and receives substantially all of the benefits related to their operations and net assets with control obtained on 30 April 2013. Consequently, the Group consolidates these six companies as subsidiaries.

(c) The Group has assessed the non-controlling interest in the subsidiary of the Group and has determined that the non-controlling interest is not material to the Group's financial position as at 31 October 2018.

7. INVESTMENT IN AN ASSOCIATE

	Group	
	2018	2017
	RM	RM
Unquoted shares, at cost	3,000,000	3,000,000
Share of results	98,342	(40,626)
	3,098,342	2,959,374

The associate, incorporated in Malaysia, is as follows:

Name of associate	Principal activity	Proportion (%) of ownership interest	
		2018	2017
<i>Held through Reviva Sdn. Bhd.:</i>			
BAC Biomass (Kg. Gajah) Sdn. Bhd.	Business in design, develop and maintain biomass based renewable energy facility	34%	34%

The associate is audited by firm other than Mazars PLT.

The associate is accounted for using equity method in the consolidated financial statements.

The financial year end of the associate is 31 December. The financial year end of the associate is determined by the controlling shareholders of the associate since its incorporation. For the purpose of applying equity method in the consolidated financial statements, the financial information of the associate for the period ended 31 October 2018 had been used.

Notes to the Financial Statements

For the Year Ended 31 October 2018

7. INVESTMENT IN AN ASSOCIATE (CONT'D)

The summarised financial information of the Group's associate are as follows:

	2018 RM	2017 RM
Non-current assets	3,145,141	2,418,832
Current assets	1,465,109	1,467,789
Non-current liability	(32,174)	-
Current liabilities	(287,786)	(5,061)
Revenue	235,978	106,406
Other income	1,083,126	12,281
Profit/(Loss) for the year	408,730	(119,490)
Total comprehensive income/(loss) for the year	408,730	(119,490)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements is as follows:

	2018 RM	2017 RM
Net assets	4,290,290	3,881,560
Proportion of ownership interest held by the Group	34%	34%
Group's share of net assets	1,458,698	1,319,730
Goodwill	1,639,644	1,639,644
Carrying amount of the Group's interest in the associate	3,098,342	2,959,374

Notes to the Financial Statements

For the Year Ended 31 October 2018

8. DEFERRED TAX ASSETS/(LIABILITIES)

Deferred tax assets/(liabilities) as at reporting date relate to the following:

Group	As at 1 November 2016 RM	Recognised in profit or loss (Note 22) RM	As at 31 October 2017 RM	Recognised in profit or loss (Note 22) RM	As at 31 October 2018 RM
Deferred tax assets:					
Provisions	50,684	4,475	55,159	19,112	74,271
Trade payables	309,022	(307,929)	1,093	(1,093)	-
Unabsorbed capital allowances	34,821,970	3,987,403	38,809,373	738,398	39,547,771
Unabsorbed investment tax allowances	2,206,297	994,829	3,201,126	1,173,687	4,374,813
	37,387,973	4,678,778	42,066,751	1,930,104	43,996,855
Deferred tax liabilities:					
Plant and equipment	(36,559,319)	(5,016,107)	(41,575,426)	(1,923,433)	(43,498,859)
	828,654	(337,329)	491,325	6,671	497,996
Company					
Deferred tax assets:					
Provisions	26,891	8,856	35,747	253	36,000
Deferred tax liabilities:					
Plant and equipment	(12,891)	7,144	(5,747)	9,747	4,000
	14,000	16,000	30,000	10,000	40,000

Notes to the Financial Statements

For the Year Ended 31 October 2018

8. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

Presented after appropriate offsetting as follows:

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Deferred tax assets	508,996	516,325	40,000	30,000
Deferred tax liabilities	(11,000)	(25,000)	-	-
	497,996	491,325	40,000	30,000

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2018	2017
	RM	RM
Unutilised business losses	47,307,734	24,319,697
Unabsorbed investment tax allowances	242,810,594	247,638,649
	290,118,328	271,958,346

The Group is eligible to claim 100% (2017: 100%) investment tax allowance ("ITA") on all qualifying expenditures incurred for its renewable energy business segment, within 5 years from the date that the qualifying expenditure is first incurred. ITA on the said qualifying expenditure together with unutilised business losses are available for offset against the future taxable profits of the Group, subject to an agreement of the Inland Revenue Board.

Pursuant to the relevant tax legislation, unutilised business losses will expire in 2025 and unabsorbed investment tax allowances can be carried forward indefinitely.

9. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
<i>Non-current</i>				
Trade receivables				
Retention sums	5,910,670	3,629,439	-	-

Notes to the Financial Statements

For the Year Ended 31 October 2018

9. TRADE AND OTHER RECEIVABLES (CONT'D)

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
<i>Current</i>				
Trade receivables				
Third parties (Note 9(a))	69,606,089	86,686,927	15,168,639	32,177,245
Retention sums	3,547,537	3,937,536	699,226	699,226
Unbilled amounts due from customers on work performed (Note 9(a))	279,939,900	161,003,827	98,091,257	127,519,670
Amounts due from subsidiaries (Note 9(a))	-	-	11,155,349	10,900,000
	353,093,526	251,628,290	125,114,471	171,296,141
Other receivables				
Amounts due from subsidiaries (Note 9(b))	-	-	327,697,992	280,349,475
Sundry receivables	24,499,395	9,506,071	301,050	285,123
Refundable deposits	1,869,122	2,565,195	191,493	166,634
	26,368,517	12,071,266	328,190,535	280,801,232
	379,462,043	263,699,556	453,305,006	452,097,373
Total trade and other receivables	385,372,713	267,328,995	453,305,006	452,097,373
Total trade and other receivables	385,372,713	267,328,995	453,305,006	452,097,373
Add: Cash and bank balances (Note 11)	91,598,703	108,511,739	29,373,085	34,369,230
Less: Unbilled amounts due from customers on work performed	(279,939,900)	(161,003,827)	(98,091,257)	(127,519,670)
Total loans and receivables	197,031,516	214,836,907	384,586,834	358,946,933

(a) Trade receivables

The Group's and the Company's normal trade credit term ranges from 30 to 90 (2017: 30 to 90) days. Other credit terms are assessed and approved on a case-by-case basis. Trade receivables are recognised at their original invoice amounts which represent their fair values on initial recognition. Included in trade receivables of the Company are amounts due from subsidiaries of RM11,155,349 (2017: RM10,900,000), which are subject to normal trade terms.

The retention sums are due upon the expiry of the defect liability period stated in the respective contracts. The defect liability periods ranged from 12 to 36 (2017: 12 to 36) months.

Subsequent to the financial year end and up to the date of this report, the Group and the Company has billed RM14,015,969 (2017: RM36,119,722) and RM8,888,071 (2017: RM22,572,089) respectively out of the unbilled amount due from customers on work performed.

Subsequent to the financial year end and up to the date of this report, trade receivables of the Group and the Company has recovered RM36,652,727 (2017: RM77,599,685) and RM11,990,837 (2017: RM41,827,017) respectively.

Notes to the Financial Statements

For the Year Ended 31 October 2018

9. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade receivables (cont'd)

Ageing analysis of trade receivables

The ageing analysis of the Group's and Company's trade receivables (excluding unbilled amounts due from customers on work performed) are as follows:

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Neither past due nor impaired	45,548,279	75,030,871	13,459,565	35,538,396
1 to 30 days past due not impaired	12,928,605	3,911,146	1,209,496	-
31 to 60 days past due not impaired	4,126,145	153,817	4,115,840	-
More than 60 days past due not impaired	16,461,267	15,158,068	8,238,313	8,238,075
	33,516,017	19,223,031	13,563,649	8,238,075
	79,064,296	94,253,902	27,023,214	43,776,471

(i) Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are retention sums and receivables from creditworthy customers with good payment records with the Group.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year (2017: Nil).

(ii) Receivables that are past due but not impaired

The Group and the Company have trade receivables amounting to RM33,516,017 (2017: RM19,223,031) and RM13,563,649 (2017: RM8,238,075), respectively that are past due at the reporting date but not impaired. The Group's trade receivables arise from customers with more than four (2017: four) years of experience with the Group and with good track records. The receivables that are past due but not impaired are unsecured in nature. Having considered all pertinent information at the reporting date, the directors are of the opinion that no allowance for doubtful debts is required for these balances.

(b) Amounts due from subsidiaries

Amounts due from subsidiaries are unsecured, non-interest bearing and receivable on demand, if any.

(c) Grant receivable

Included in sundry receivables is an amount of RM4,493,075 (2017: RM4,493,075) which represents the government grant receivable by the Group in relation to the construction of facilities for the WTE System project at Ladang Tanah Merah. In the prior year, the grant income receivable of RM4,493,075 had been offset against its costs.

Notes to the Financial Statements

For the Year Ended 31 October 2018

10. OTHER CURRENT ASSETS

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Prepaid operating expenses	403,772	496,556	56,959	244,204
Goods and services tax ("GST") recoverable	2,784,091	2,148,222	2,653,029	2,075,229
	3,187,863	2,644,778	2,709,988	2,319,433

GST recoverable pertains to net amount of GST recoverable from the Royal Malaysian Customs Department.

11. CASH AND BANK BALANCES

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Short term deposits with licensed banks	68,588,583	84,412,187	26,933,355	26,816,999
Cash at banks and on hand	23,010,120	24,099,552	2,439,730	7,552,231
Cash and bank balances (Note 9)	91,598,703	108,511,739	29,373,085	34,369,230

Deposits with licensed banks of the Group and of the Company amounting to RM53,440,624 (2017: RM64,010,987) and RM12,463,849 (2017: RM10,351,335) respectively are pledged to licensed banks for credit facilities granted to the Group and the Company.

The interest rates of deposits with licensed banks for the Group and the Company are ranging from 2.10% to 3.65% (2017: 1.95% to 3.65%) per annum. The maturities of these deposits are within 365 (2017: 365) days.

Notes to the Financial Statements

For the Year Ended 31 October 2018

11. CASH AND BANK BALANCES (CONT'D)

For the purposes of the statements of cash flows, cash and cash equivalents comprise the following at the reporting date.

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Cash at banks and on hand	23,010,120	24,099,552	2,439,730	7,552,231
Short term deposits with licensed banks with maturities less than 90 days	65,379,193	79,369,112	26,933,355	26,816,999
	88,389,313	103,468,664	29,373,085	34,369,230
Less: Bank overdraft (Note 15)	(3,057,801)	-	-	-
Cash and cash equivalents	85,331,512	103,468,664	29,373,085	34,369,230

12. SHARE CAPITAL

	Number of shares	Amount		Total share capital and share premium RM
		Share capital RM	Share premium RM	
Issued and paid-up ordinary shares:				
At 1 November 2016	252,938,472	126,469,236	144,160,784	270,630,020
Issuance of shares:				
- DRS	4,800,200	10,464,436	-	10,464,436
- Exercise of ESOS	3,254,500	7,633,756	-	7,633,756
Transition to no-par value regime	-	144,160,784	(144,160,784)	-
At 31 October 2017	260,993,172	288,728,212	-	288,728,212
Issuance of shares:				
- DRS	4,727,700	10,306,386	-	10,306,386
- Exercise of ESOS	5,354,500	12,559,515	-	12,559,515
- Private Placement	28,737,000	63,468,060	-	63,468,060
	299,812,372	375,062,173	-	375,062,173
Share issuance expenses	-	(474,863)	-	(474,863)
At 31 October 2018	299,812,372	374,587,310	-	374,587,310

Notes to the Financial Statements

For the Year Ended 31 October 2018

12. SHARE CAPITAL (CONT'D)

During the financial year, the Company increased its total number of issued and paid-up share capital from 260,993,172 ordinary shares to 299,812,372 ordinary shares by way of:

- (a) Issuance of 4,727,700 new ordinary shares in the Company ("CRB Shares") at an issue price of RM2.18 per share pursuant to the DRS;
- (b) Issuance of 5,354,500 CRB Shares at an exercise price of RM2.12 per share pursuant to the exercise of options under the ESOS; and
- (c) Issuance of 20,523,000 CRB Shares at an exercise price of RM2.18 per share and 8,214,000 CRB Shares at an exercise price of RM2.28 per share pursuant to the Private Placement.

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

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

Dividend Reinvestment Scheme ("DRS")

The DRS was established upon the approval from shareholders at the Annual General Meeting held on 21 April 2015. The DRS provides shareholders with the option to reinvest their dividends partially or wholly in new CRB shares in lieu of receiving cash.

Shareholders are expected to benefit from their participation in the DRS as the new shares may be issued at a discount and the DRS provides flexibility for the shareholders to choose to receive the dividends in cash or reinvesting them into the Company.

The DRS will also benefit the Company as the reinvestment of dividends by the shareholders in new shares will enlarge the share capital base and strengthen the capital position of the Company. The cash retained will be preserved to fund the Group's continuing growth and expansion plan and for the Group's working capital purpose.

In relation to dividends to be declared, the Board of directors ("Board") may, at its absolute discretion, determine whether to offer shareholders the reinvestment option and where applicable, the Electable Portion of the dividends to which the reinvestment option applies. The Company is not obliged to undertake the DRS for every dividend to be declared.

In this respect, the Electable Portion may encompass the whole dividends declared or only a portion of the dividends. In the event the Electable Portion is not applicable for the whole dividends declared, the Non-Electable Portion will be paid in cash.

The issue price of such new shares will be fixed by the Board on the price fixing date and shall be determined based on the 5-day Volume Weighted Average Price ("VWAP") of the CRB Shares immediately preceding the price fixing date, with a discount of not more than ten percent (10%). The VWAP shall be adjusted ex-dividends before applying the said discount in fixing the Issue Price. In any event, the Issue Price will not be lower than the par value of CRB Shares of RM0.50 each.

Notes to the Financial Statements

For the Year Ended 31 October 2018

13. REVERSE ACQUISITION RESERVE

In accordance with the principles of reverse acquisition in MFRS 3: Business Combination, the amount recognised as issued instruments in the consolidated financial statements is determined by adding the cost of the business combination to the issued equity of the subsidiary being acquired immediately before the business combination. However, the equity structure appearing in the consolidated financial statements is of the Company.

Therefore, a reverse acquisition reserve of RM36,700,000 has been created, being the difference between the required Group's equity structure and the reported equity of the Company.

14. EMPLOYEE SHARE OPTION RESERVE

Employee share option reserve represents the equity-settled share options granted to the directors and employees. The reserve is made up of the cumulative value of services received from the directors and employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry or exercise of the share options.

The ESOS was implemented on 19 October 2015. The ESOS allows the Company to grant share options to eligible employees and directors of the Group of up to 15% of the issued and paid-up share capital of the Company. The ESOS is governed by the By-Laws which was approved by the shareholders at the Tenth Annual General Meeting on 21 April 2015. The ESOS shall be in force for a period of 5 years up to 18 October 2020 and pursuant to By-Laws 21, the Board shall have the discretion to extend the duration of the ESOS for a maximum period of 5 years.

The salient features of the ESOS are as follows:

- (i) Option Committee is appointed by the Board to administer the ESOS, may from time to time grant options to eligible employees and directors of the Group to subscribe for new CRB Shares;
- (ii) The total number of new ordinary shares to be offered under the ESOS shall not exceed in aggregate fifteen percent (15%) of the issued and paid-up share capital of the Company at any point in time during the existence of the ESOS. In addition, not more than 10% of the new CRB Shares available under the ESOS shall be allocated to any individual director or employee who, either singly or collectively through person(s) connected with him/her, holds 20% or more in the issued and paid-up capital of the Company;
- (iii) Eligible persons are employees and directors of the Group that have attained the age of eighteen (18) years, in full time confirmed employment and payroll or such person is serving in a specific designation under an employee contract for a fixed duration of at least one (1) year, not a participant of any other employee share option scheme within the Group which is in force for the time being and such person has fulfilled any other eligibility criteria determined by the Option Committee. For the avoidance of doubt, the Option Committee may determine any other eligibility criteria and/or waive any of the conditions of eligibility as set out in the By-Laws, for purposes of selecting an eligible person at any time and from time to time, in the Option Committee's discretion;
- (iv) The criterion of allotment of new CRB Shares is by reference to the category of the eligible persons in consideration with due regard to, amongst others, the performance in the Group and seniority of the eligible persons;

Notes to the Financial Statements

For the Year Ended 31 October 2018

14. EMPLOYEE SHARE OPTION RESERVE (CONT'D)

The salient features of the ESOS are as follows (cont'd):

- (v) The price at which the grantee is entitled to subscribe for each new CRB Share under the ESOS shall be determined based on the five (5)-day VWAP of the CRB Shares immediately preceding the date of offer, with a discount of not more than ten percent (10%) or such other percentage of discount as may be permitted by Bursa Malaysia Securities Berhad or any other relevant authorities from time to time during the duration of the ESOS. In any event, the exercise price of the ESOS options will not be lower than the par value of CRB Share of RM0.50 each; and
- (vi) All new CRB Shares issued upon exercise of the options granted under the ESOS will rank pari passu in all respects with the existing CRB Shares except that the new CRB Shares issued will not be entitled to any dividend, rights or other distributions declared, made or paid to shareholders prior to the date of allotment.
- (vii) The options granted under ESOS are not assignable.

The movements during the financial year in the number of ESOS of the Company are as follows:

	Exercise price	Number of option				At 31.10.2018	Expiry date
		At 1.11.2017	Granted	Exercised	Forfeited		
ESOS	RM2.12	19,845,500	-	(5,354,500)	-	14,491,000	18 October 2020

Fair value of share options granted

The fair values of the share options granted under the ESOS was determined using the binomial option pricing model, taking into account the terms and conditions upon which the instruments were granted. The model simulates the total shareholder return. It takes into account historic dividends, share price fluctuation covariance of the Company and each entity of the group of competitors to predict the distribution of relative share performance.

The significant inputs to the model were as follows:

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
Dividend yield (%)	2.47

The expected life of the share options is based on historical data and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility of share price is indicative of future trends, which may also not necessarily be the actual outcome.

Notes to the Financial Statements

For the Year Ended 31 October 2018

15. LOANS AND BORROWINGS

	Maturity	Group		Company	
		2018 RM	2017 RM	2018 RM	2017 RM
Non-current					
Secured:					
Finance leases (Note 25(c))	2020 - 2023	1,342,733	1,816,563	-	-
Term loans	2020 -2026	474,351,874	445,761,471	-	-
		475,694,607	447,578,034	-	-
Current					
Secured:					
Finance leases (Note 25(c))	2019	483,813	511,009	-	-
Bank Overdrafts	2019	3,057,801	-	-	-
Trust receipts	2019	52,773,024	47,623,195	21,572,582	14,987,359
Revolving credits	2019	38,000,000	48,000,000	2,000,000	2,000,000
Term loans	2019	39,078,320	23,958,320	-	-
		133,392,958	120,092,524	23,572,582	16,987,359
Total loans and borrowings (Note 16)		609,087,565	567,670,558	23,572,582	16,987,359

The remaining maturities of the loans and borrowings at the reporting date are as follows:

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
On demand or within 1 year	133,392,958	120,092,524	23,572,582	16,987,359
More than 1 year and less than 2 years	52,439,920	47,265,879	-	-
More than 2 years and less than 5 years	166,715,260	163,398,378	-	-
5 years or more	256,539,427	236,913,777	-	-
	609,087,565	567,670,558	23,572,582	16,987,359

Notes to the Financial Statements

For the Year Ended 31 October 2018

15. LOANS AND BORROWINGS (CONT'D)

The breakdown of Islamic and Conventional loans and borrowings are as follow:

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
<i>Non-current</i>				
Islamic	406,550,700	365,632,706	-	-
Conventional	69,143,907	81,945,328	-	-
	475,694,607	447,578,034	-	-
<i>Current</i>				
Islamic	105,832,846	94,535,703	23,572,582	16,987,359
Conventional	27,560,112	25,556,821	-	-
	133,392,958	120,092,524	23,572,582	16,987,359
Total	609,087,565	567,670,558	23,572,582	16,987,359

Obligation under finance leases

These obligations are secured by a charge over the leased assets in Note 4 to the financial statements. The flat discount rate implicit in these leases ranged between 2.31% and 3.40% (2017: 2.31% and 3.40%) per annum.

Bank overdrafts

Bank overdrafts bear interests ranging from base lending rate ("BLR") + 1% to BLR + 1.75% (2017: BLR + 1% to BLR + 1.75%) per annum.

Trust receipts

Trust receipts bear interests ranging from BLR + 0.5% to BLR + 1.25% and cost of funds ("COF") + 1% to COF + 1.25% (2017: BLR + 0.5% to BLR + 1.25% and COF + 1% to COF + 1.25%) per annum.

Revolving credits

Revolving credits bear interest ranging from COF + 1.75% to COF + 2.5% (2017: COF + 1.75% to COF + 2.5%) and BLR + 0.75% (2017: BLR + 0.75%) per annum.

Term loans

Term loans bear interests ranging from COF + 1.75% to COF + 2.25% and at BLR (2017: COF + 1.75% to COF + 2.25% and at BLR) per annum.

The above facilities (except for obligation under finance lease and term loans) are secured by way of existing deposits pledged to the financial institutions and corporate guarantee issued by the Company.

Notes to the Financial Statements

For the Year Ended 31 October 2018

15. LOANS AND BORROWINGS (CONT'D)

Term loans (cont'd)

The term loans, where applicable, are secured by the following:

- (a) a debenture over the fixed and floating charges over present and future assets of the projects funded;
- (b) an assignment over all revenue proceeds from the projects funded;
- (c) an assignment of all insurance policies relating to the projects funded;
- (d) a charge over the designated bank accounts of the project funded; and
- (e) a corporate guarantee issued by the Company.

16. TRADE AND OTHER PAYABLES

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Non-current				
Trade payables				
Retention sums	19,137,810	8,511,152	-	-
Current				
Trade payables				
Third parties (Note 16(a))	212,345,386	208,894,397	7,286,695	17,986,624
Retention sums	2,629,333	3,407,590	348,745	352,328
Amounts due to subsidiaries (Note 16(a))	-	-	2,672,086	39,611,228
	214,974,719	212,301,987	10,307,526	57,950,180
Other payables				
Amounts due to subsidiaries (Note 16(b))	-	-	105,790,614	144,493,144
Sundry payables	2,842,242	4,943,567	2,456,384	4,343,763
Accruals	12,928,640	11,022,681	5,491,871	6,903,847
	15,770,882	15,966,248	113,738,869	155,740,754
	230,745,601	228,268,235	124,046,395	213,690,934
Total trade and other payables	249,883,411	236,779,387	124,046,395	213,690,934
Total trade and other payables	249,883,411	236,779,387	124,046,395	213,690,934
Add: Loans and borrowings (Note 15)	609,087,565	567,670,558	23,572,582	16,987,359
Total financial liabilities carried at amortised cost	858,970,976	804,449,945	147,618,977	230,678,293

Notes to the Financial Statements

For the Year Ended 31 October 2018

16. TRADE AND OTHER PAYABLES (CONT'D)

(a) Trade payables

These amounts are non-interest bearing. The normal trade credit terms granted to the Group and the Company are ranging from 30 to 90 (2017: 30 to 90) days although it is customary for the credit terms to be extended beyond 90 days based on case-by-case basis.

Included in trade payables of the Group is an amount due to a related party, a Company in which certain directors of the Company have financial interests, CyEn Resources Sdn. Bhd. of RM14,651,305 (2017: RM4,736,557).

Included in trade payables of the Company are amounts due to subsidiaries of RM2,672,086 (2017: RM39,611,228), which are subject to normal trade terms.

The retention sums are payable to the contractors upon the expiry of the defect liability period stated in the respective contracts. The retention sums are payable upon the expiry of the defect liability period ranged from 12 to 36 (2017: 12 to 36) months.

(b) Amounts due to subsidiaries

Amounts due to subsidiaries are unsecured, non-interest bearing and repayable on demand, if any.

17. REVENUE

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Environmental engineering	245,046,446	222,320,230	40,776,774	61,644,894
Landscaping and infrastructure	37,458,443	26,449,461	-	14,000,000
Maintenance works	6,595,717	4,201,476	6,395,718	4,201,476
Green tech and renewable energy	48,784,125	48,713,260	-	-
Management fee	-	-	22,500,000	16,150,000
Dividend income	-	-	-	8,000,000
	337,884,731	301,684,427	69,672,492	103,996,370

Included in the revenue of environmental engineering segment is an amount of RM79,947,050 (2017: RM143,598,335) which represents revenue from construction services contracts.

Notes to the Financial Statements

For the Year Ended 31 October 2018

18. COST OF SALES

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Environmental engineering	184,038,892	165,298,634	44,904,638	58,641,313
Landscaping and infrastructure	25,550,892	20,604,080	91,824	13,341,360
Maintenance works	4,311,934	2,771,127	5,756,145	3,547,709
Green tech and renewable energy	24,837,577	25,234,547	-	-
	238,739,295	213,908,388	50,752,607	75,530,382

Cost of sales comprised of sub-contractors' costs, material costs, labour costs and site expenses.

19. FINANCE COSTS

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Interest expense on:				
- bank overdrafts	77,243	13,403	-	-
- finance leases	107,470	97,301	-	-
- term loans	8,257,835	9,007,312	-	-
- revolving credits	606,300	514,501	-	-
- letter of credits	10,890	18,106	-	-
- trust receipts	666,272	653,550	-	-
- bank facility fees	10,000	-	-	-
- bank guarantee commissions	767,812	295,602	132,376	290,401
Unwinding of discount	-	1,195,242	-	-
	10,503,822	11,795,017	132,376	290,401

Notes to the Financial Statements

For the Year Ended 31 October 2018

20. PROFIT BEFORE TAX

The following items have been included in arriving at profit before tax:

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Auditors' remuneration:				
- statutory audit	248,600	237,800	70,000	65,000
- non-audit fee	5,000	5,000	5,000	5,000
Amortisation of intangible assets	3,647,725	-	4,793,565	-
Depreciation of plant and equipment	13,606,746	13,537,447	70,642	124,869
Employee benefits expense:				
- salaries and bonuses				
- current	14,683,330	12,519,019	932,619	1,055,910
- overprovision in prior year	(3,125,000)	(4,462,006)	(3,125,000)	(2,785,056)
- defined contribution plan				
- current	1,835,295	1,481,838	167,958	137,048
- overprovision in prior year	(375,000)	(604,783)	(375,000)	(379,780)
- social security contributions	75,110	65,704	16,443	10,369
- other benefits	952,296	750,148	460,624	416,050
ESOS expense	-	5,211,361	-	5,211,361
Finance income – unwinding of discount	(1,243,176)	-	-	-
Foreign exchange loss/(gain):				
- realised	-	235,404	-	-
- unrealised	7,342	(1,291,398)	-	-
Interest income	(2,543,003)	(2,608,579)	(1,048,547)	(1,035,409)
Minimum operating lease payments on:				
- premises	6,331,249	6,333,164	73,536	86,688
- site equipment	79,067	42,819	-	-
- motor vehicles	477,332	496,823	99,000	109,000
- office equipment	51,334	49,430	3,234	8,484
- land	347,142	492,983	-	-

Notes to the Financial Statements

For the Year Ended 31 October 2018

21. DIRECTORS' REMUNERATIONS

The details of remunerations receivable by directors of the Company are as follows:

	Group and Company	
	2018 RM	2017 RM
Executive:		
Salaries and other allowances	5,474,000	5,082,869
Defined contribution plan	656,880	609,945
Social security contribution	1,421	1,421
ESOS expense	-	2,707,200
Total executive directors' remuneration	6,132,301	8,401,435
Non-executive:		
Directors' fees	698,400	594,000
ESOS expense	-	135,360
Total non-executive directors' remuneration	698,400	729,360
Total directors' remuneration [Note 24(b)]	6,830,701	9,130,795

22. TAX EXPENSE

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Malaysian tax:				
- current	15,803,213	11,715,310	3,500,000	3,700,000
- (over)/underprovision in prior year	(740,090)	(65,484)	13,338	(16,310)
	15,063,123	11,649,826	3,513,338	3,683,690
Deferred tax: (Note 8)				
- (reversal)/origination of temporary differences	(6,671)	337,329	(10,000)	(16,000)
	15,056,452	11,987,155	3,503,338	3,667,690

Notes to the Financial Statements

For the Year Ended 31 October 2018

22. TAX EXPENSE (CONT'D)

The Malaysian corporate tax rate will be reduced to a range of 20% to 24% from the current year's tax rate of 24% for years of assessment 2017 and 2018. The reduction in income tax rate is based on the percentage of increase in chargeable income as compared to immediate preceding year of assessment.

The provision for taxation differs from the amount of taxation determined by applying the applicable statutory tax rate to the profit before tax as a result of the following differences:

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Profit before tax (excluding share of results of associate)	85,320,408	69,630,440	14,317,675	17,637,518
Taxation at applicable tax rate of 24% (2017:24%)	20,476,898	16,711,306	3,436,242	4,233,004
Non-deductible expenses	1,208,108	2,635,632	314,463	1,511,692
Non-taxable income	(3,687,487)	(5,294,788)	(260,705)	(2,060,696)
Effect from deductibility of borrowing costs capitalised in intangible assets	(6,559,373)	(4,623,128)	-	-
Origination of deferred tax assets not recognised	4,358,396	2,623,617	-	-
(Over)/Under provision of income tax in prior year	(740,090)	(65,484)	13,338	(16,310)
	15,056,452	11,987,155	3,503,338	3,667,690

23. EARNINGS PER SHARE

Basic earnings per share

The basic earnings per share is calculated by dividing the Group's profit for the year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year. The weighted average number of ordinary shares in issue is calculated as follows:

	Group	
	2018	2017
Profit for the year attributable to owners of the Company (RM)	70,404,144	57,604,032
Number of ordinary shares at beginning of the year	260,993,172	252,938,472
Effect of shares issued pursuant to:		
- DRS	1,606,123	1,722,812
- exercise of ESOS	2,287,619	1,350,949
- private placement	8,500,940	-
Weighted average number of ordinary shares	273,387,854	256,012,233
Basic earnings per share (sen)	25.75	22.50

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For the Year Ended 31 October 2018

23. EARNINGS PER SHARE (CONT'D)

Diluted earnings per share

The diluted earnings per share has been calculated by dividing the Group's profit for the year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares that would have been in issue upon full exercise of the options under ESOS, adjusted for the number of such shares that would have been issued at fair value at the date of the issue of ESOS, calculated as follows:

	Group	
	2018	2017
Profit for the year attributable to owners of the Company (RM)	70,404,144	57,604,032
Weighted average number of ordinary shares for basic earnings per share	273,387,854	256,012,233
Assumed shares issued from the exercise of ESOS	2,191,809	1,987,182
Adjusted weighted average number of ordinary shares	275,579,663	257,999,415
Diluted earnings per share (sen)	25.55	22.33

24. SIGNIFICANT RELATED PARTY TRANSACTIONS

- (a) In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties during the financial year:

	2018	2017
	RM	RM
Group		
Amount charged to a related party for work performed on renewable energy project*	-	(500,000)
Amount charged by a related party for work performed on the maintenance works projects*	4,234,076	753,676
Amount charged by a related party for work performed on the environmental engineering projects*	24,875,010	9,589,145
Company		
Dividend received from subsidiaries	-	(8,000,000)
Management fees charged to subsidiaries	(17,200,000)	(16,150,000)
Staff costs reimbursed from a subsidiary	(7,400,302)	(5,577,152)
Amount charged to a subsidiary for work performed on environmental engineering projects	(5,300,000)	-
Amounts charged by a subsidiary for work performed on development cost	2,400,000	2,400,000
Amounts charged by a subsidiary for work performed on landscaping and infrastructure projects	92,828	10,490,152
Amounts charged by subsidiaries for work performed on environmental engineering projects	38,102,320	49,116,173
Amounts charged by a subsidiary for work performed on maintenance projects	5,756,145	1,004,902
Staff costs reimbursed by subsidiaries	4,097,053	2,501,960

Notes to the Financial Statements

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24. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

- (a) In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties during the financial year (cont'd):

Outstanding balances in respect of the above transactions are disclosed in Notes 9 and 16 to the financial statements.

* *Related party refers to a company in which certain directors have financial interests, namely CyEn Resources Sdn. Bhd.*

- (b) Compensation of key management personnel

The key management personnel include directors of the Group and certain members of senior management of the Group.

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Short term employee benefits	8,162,756	8,116,292	6,857,900	6,678,950
Defined contribution plan	895,075	902,677	738,492	730,195
Other benefits	4,736	3,907	3,907	3,079
ESOS expense	-	4,451,088	-	2,995,968
	9,062,567	13,473,964	7,600,299	10,408,192

Included in the key management personnel are:

	Group and Company	
	2018	2017
	RM	RM
Directors' remuneration (Note 21)	6,830,701	9,130,795

- (c) The Company has granted corporate guarantees amounting to RM788,160,000 (2017: RM755,220,000) to financial institutions for securing banking facilities of the subsidiaries.

Notes to the Financial Statements

For the Year Ended 31 October 2018

25. COMMITMENTS

(a) Capital commitments

Capital expenditure as at the reporting date is as follows:

	Group 2018 RM	2017 RM
Approved and contracted for:		
Intangible assets recognised pursuant to IC12 (Note 5(a))	28,077,518	31,473,132

(b) Operating lease commitments - as lessee

The Group and the Company entered into commercial leases on certain motor vehicles, premises, land, site and office equipment. Future minimum rentals payable under non-cancellable operating leases at the reporting date are as follows:

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Not later than 1 year	675,137	676,616	16,614	1,632
Later than 1 year but not later than 5 years	1,850,924	1,749,278	44,640	1,170
Later than 5 years	3,949,435	3,446,604	-	-
	6,475,496	5,872,498	61,254	2,802

Notes to the Financial Statements

For the Year Ended 31 October 2018

25. COMMITMENTS (CONT'D)

(c) Finance lease commitments

The Group has finance leases for certain motor vehicles (Note 4).

Future minimum lease payments under finance leases together with the present value of the minimum lease payments are as follows:

	Group	
	2018	2017
	RM	RM
Minimum lease payments:		
Not later than 1 year	564,354	608,496
Later than 1 year but not later than 2 years	488,333	564,354
Later than 2 years but not later than 5 years	898,706	1,244,641
Later than 5 years	72,063	214,461
Total minimum lease payments	2,023,456	2,631,952
Less: Amounts representing finance charges	(196,910)	(304,380)
Present value of minimum lease payments	1,826,546	2,327,572
Present value of payments:		
Not later than 1 year	483,813	511,009
Later than 1 year but not later than 2 years	431,600	487,559
Later than 2 years but not later than 5 years	840,300	1,123,418
Later than 5 years	70,833	205,586
Present value of minimum lease payments	1,826,546	2,327,572
Less: Amount due within 12 months (Note 15)	(483,813)	(511,009)
Amount due after 12 months (Note 15)	1,342,733	1,816,563

Notes to the Financial Statements

For the Year Ended 31 October 2018

26. FINANCIAL INSTRUMENTS

- (a) Classification of financial instruments

Financial assets

Trade and other receivables and cash and bank balances are categorised as loans and receivables.

Financial liabilities

Trade and other payables and loans and borrowings are categorised as financial liabilities at amortised cost.

- (b) Fair value of financial instruments

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation date.

The carrying amount of the financial assets and liabilities of the Group and the Company at the reporting date approximated or were at their fair values due to the relatively short-term maturity or related interest are at market rate on those financial instruments.

The loans and borrowings other than finance leases of the Group are reasonable approximations of their fair values because they are floating rate instruments which are re-priced to market interest rates.

The carrying amounts of finance leases are reasonable approximations of fair values due to the insignificant impact of discounting.

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, cash flow and liquidity risks, interest rate risk and foreign currency risk.

The Board reviews and agrees with the policies and procedures established for these risks, which are executed by the Chief Financial Officer. The audit committee provides independent oversight to the effectiveness of the risk management process.

It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group and the Company did not apply hedge accounting during the financial year (2017: Nil).

The following sections provide details regarding the Group's and the Company's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by:

- The carrying amount of each class of financial assets recognised in the statements of financial position.
- Nominal amounts of RM788,160,000 (2017: RM755,220,000) relate to corporate guarantees provided by the Company to financial institutions on its subsidiaries' loans and borrowings.

As at the reporting date, there was no indication that the subsidiaries would default on repayment.

Credit risk concentration profile

At the reporting date, the Group has a significant concentration of credit risk in the form of outstanding balances from five customers (2017: five customers) representing approximately 85% (2017: 86%) of the total trade receivables. The amounts due from customers on work performed mainly relate to unbilled portion of work performed on the closure and restorations of landfills, landscape development and maintenance as well as sale of renewable energy.

Financial assets that are neither past due nor impaired

Information regarding financial assets that are neither past due nor impaired is disclosed in Note 9 to the financial statements. Deposits with banks that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Information regarding financial assets that are either past due or impaired is disclosed in Note 9 to the financial statements.

(b) Cash flow and liquidity risks

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

Notes to the Financial Statements

For the Year Ended 31 October 2018

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Cash flow and liquidity risks (cont'd)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	← 2018 →				Total RM
	On demand or within one year RM	One to two years RM	Two to five years RM	Over five years RM	
Group					
Trade and other payables	230,745,601	11,525,969	9,561,429	-	251,832,999
Loans and borrowings	166,796,657	81,234,059	232,058,137	283,485,368	763,574,221
Total undiscounted financial liabilities	397,542,258	92,760,028	241,619,566	283,485,368	1,015,407,220
Company					
Trade and other payables	124,046,395	-	-	-	124,046,395
Loans and borrowings	24,133,884	-	-	-	24,133,884
Total undiscounted financial liabilities	148,180,279	-	-	-	148,180,279
Financial guarantees contracts*	592,232,000	-	-	-	592,232,000

Notes to the Financial Statements

For the Year Ended 31 October 2018

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Cash flow and liquidity risks (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

The table below summarises the maturity profile of the Group's and of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations. (cont'd)

	← 2017 →				Total RM
	On demand or within one year RM	One to two years RM	Two to five years RM	Over five years RM	
Group					
Trade and other payables	228,268,235	6,548,380	2,737,510	-	237,554,125
Loans and borrowings	149,269,811	72,880,250	220,928,502	263,612,450	706,691,013
Total undiscounted financial liabilities	377,538,046	79,428,630	223,666,012	263,612,450	944,245,138
Company					
Trade and other payables	213,690,934	-	-	-	213,690,934
Loans and borrowings	17,358,363	-	-	-	17,358,363
Total undiscounted financial liabilities	231,049,297	-	-	-	231,049,297
Financial guarantees contracts*	599,452,000	-	-	-	599,452,000

Notes to the Financial Statements

For the Year Ended 31 October 2018

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Cash flow and liquidity risks (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

- * The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The maximum exposure to the Company amounts to RM592,232,000 (2017: RM599,452,000) representing banking facilities utilised by the subsidiaries at the reporting date. At the reporting date, the counterparties to the bank guarantees do not have a right to demand cash as the default has not occurred.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings. The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates were to increase or decrease by 50 basis points with all other variables held constant, the Group's and the Company's profit net of tax would decrease or increase by RM838,381 and RM89,576 (2017: RM911,153 and RM64,552) respectively, arising mainly as a result of an increase or decrease in the fair value of floating rate term loans and borrowings.

(d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional exposures arising from purchases that are denominated in a currency other than the functional currency of the Group. The foreign currency in which these transactions are denominated is mainly United States Dollar ("USD"). Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

Notes to the Financial Statements

For the Year Ended 31 October 2018

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) Foreign currency risk (cont'd)

The net unhedged financial liabilities of the Group that are not denominated in its functional currency are as follows:

Group	Financial liabilities held in USD
At 31 October 2018	
RM	89,793
At 31 October 2017	
RM	90,802

Sensitivity analysis of foreign currency risk

A sensitivity analysis has been performed based on the outstanding foreign currency denominated monetary items as at year end. If the currencies were strengthen or weaken by 2% against RM with all other variables held constant, the Group profit net of tax would decrease or increase by RM1,365 (2017: RM1,380).

28. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximises shareholders' value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year.

The Group monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio below 50%.

Notes to the Financial Statements

For the Year Ended 31 October 2018

28. CAPITAL MANAGEMENT (CONT'D)

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Loans and borrowings (Note 15)	609,087,565	567,670,558	23,572,582	16,987,359
Less: Cash and bank balances (Note 11)	(91,598,703)	(108,511,739)	(29,373,085)	(34,369,230)
Net debt/(cash)	517,488,862	459,158,819	(5,800,503)	(17,381,871)
Equity attributable to the owners of the Company, representing total capital	647,458,730	507,234,709	400,872,694	320,238,480
Capital and net debts	1,164,947,592	966,393,528	395,072,191	302,856,609
Gearing ratio	44.4%	47.5%	N/A	N/A

29. ACQUISITION OF SUBSIDIARIES

On 12 July 2018, Cypark Renewable Energy Sdn. Bhd., a wholly-owned subsidiary of the Company, acquired one hundred (100) ordinary shares in Cypark Ref Sdn. Bhd. ("CRSB"), representing the entire issued and paid-up capital of CRSB for a total cash consideration of RM100. Consequently, the Group consolidated CRSB as a subsidiary.

In the prior year, the Company acquired the following subsidiaries:

- (i) On 2 November 2016, the Company acquired two (2) ordinary shares in Cypark Green Tech Sdn. Bhd. ("CGT"), representing the entire issued and paid-up share capital of CGT for a total cash consideration of RM2. CGT, a wholly owned subsidiary of the Company, acquired two (2) ordinary shares in Reviva Sdn. Bhd. ("RSB"), representing the entire issued and paid-up capital of RSB for a total cash consideration of RM2. RSB owns 34% of equity interest in BAC Biomass (Kg Gajah) Sdn. Bhd, which is the associate of the Group.
- (ii) On 2 March 2017, the Company acquired ten (10) ordinary shares in Cypark FMS Sdn. Bhd. ("CFMS"), representing the entire issued and paid-up capital of CFMS for a total cash consideration of RM10.
- (iii) On 23 March 2017, CFMS, a wholly-owned subsidiary of the Company acquired seven hundred (700) ordinary shares in Aomori Kogaku Sdn. Bhd. ("AKSB"), representing 70% of the issued and paid-up capital of AKSB for a total cash consideration of RM700.
- (iv) On 20 June 2017, CGT, a wholly-owned subsidiary of the Company, acquired one thousand (1,000) ordinary shares in Cypark Re Store Sdn. Bhd. ("CRSB") (*formerly known as Cypark Restore Sdn. Bhd.*), representing the entire issued and paid-up capital of CRSB for a total cash consideration of RM1,000.

Notes to the Financial Statements

For the Year Ended 31 October 2018

29. ACQUISITION OF SUBSIDIARIES (CONT'D)

The effects of the acquisition of subsidiaries during the financial year were as follows:

	2018 RM	2017 RM
Cash consideration	100	1,714
Non-controlling interest	-	300
(Less)/Add: (Net asset acquired)/Fair value of net liabilities assumed	(100)	5,190
Goodwill on acquisition	-	7,204
Cash and cash equivalents acquired	100	2,014
Consideration settled in cash	(100)	(1,714)
Net cash inflow arising from the acquisition	-	300

30. SEGMENT ANALYSIS

Reporting format

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the services provided. The operating businesses are organised and managed separately according to the nature of the services provided, with each segment representing a strategic business unit that provides different services and serves different markets.

Business segments

For management purposes, the Group is organised into business units and has the following reportable business segments:

- (i) Environmental engineering Provision of nature conservation and environmental amelioration for customers and offer environmental engineering and integrated turnkey contract services, management services, planning and design services; and
- (ii) Landscaping and infrastructure Provision of landscape services, project management services and infrastructure developments; and
- (iii) Maintenance Provision of specialist maintenance works on leachate treatment plants and maintenance of landscape services for public parks, public amenities and other landscape developments; and
- (iv) Green tech & renewable energy Engage in renewable energy businesses.

The directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

Notes to the Financial Statements

For the Year Ended 31 October 2018

30. SEGMENT ANALYSIS (CONT'D)

Geographical segments

No segmental information is provided on a geographical basis as the Group's activities are conducted predominantly in Malaysia.

Allocation basis and transfer pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Information about major customer

The following details relate to major customer with revenue equal or more than 10% of the Group's total revenue:

	Number of customer	Revenue RM	Percentage of total revenue %
2018			
Environmental engineering and landscaping and infrastructure	3	161,995,419	48%
2017			
Environmental engineering	1	36,187,566	12%
Green tech & renewable energy	1	32,876,700	11%

Notes to the Financial Statements

For the Year Ended 31 October 2018

30. SEGMENT ANALYSIS (CONT'D)

The following table provides an analysis of the Group's revenue, results, assets and liabilities by business segments:

2018	Environmental engineering RM	Landscaping & infrastructure RM	Maintenance works RM	Green tech & renewable energy RM	Total RM
Revenue					
Total revenue	535,573,831	102,992,622	12,351,863	48,784,125	699,702,441
Inter-segment revenue	(290,527,385)	(65,534,179)	(5,756,146)	-	(361,817,710)
Revenue from external customers	245,046,446	37,458,443	6,595,717	48,784,125	337,884,731
Results					
Adjusted earnings before interest, taxes, depreciation and amortisation ("EBITDA")	60,861,293	10,790,154	2,283,783	36,600,468	110,535,698
Amortisation of intangible assets	(3,647,725)	-	-	-	(3,647,725)
Depreciation	(797,639)	-	-	(12,809,107)	(13,606,746)
Interest income	1,811,991	603,512	-	127,500	2,543,003
Finance costs	(2,126,264)	(119,024)	-	(8,258,534)	(10,503,822)
Share of results of an associate	-	-	-	138,968	138,968
Profit before tax	56,101,656	11,274,642	2,283,783	15,799,295	85,459,376
Income tax expense					(15,056,452)
Profit net of tax					70,402,924
Segment assets	1,092,704,735	155,389,241	2,930,140	262,508,391	1,513,532,507
<i>Included in the measure of segment assets is:</i>					
Additions to non-current assets other than financial instruments and deferred tax assets					
- Plant and equipment	607,556	-	-	427,613	1,035,169
- Intangible assets	111,261,012	-	-	-	111,261,012
	111,868,568	-	-	427,613	112,296,181
Segment liabilities	625,906,008	109,433,459	1,770,958	128,965,645	866,076,070

Notes to the Financial Statements

For the Year Ended 31 October 2018

30. SEGMENT ANALYSIS (CONT'D)

The following table provides an analysis of the Group's revenue, results, assets and liabilities by business segments: (cont'd)

2017	Environmental engineering RM	Landscaping & infrastructure RM	Maintenance works RM	Green tech & renewable energy RM	Total RM
Revenue					
Total revenue	376,087,533	39,739,613	7,307,804	50,005,260	473,140,210
Inter-segment revenue	(153,767,303)	(13,290,152)	(3,106,328)	(1,292,000)	(171,455,783)
Revenue from external customers	222,320,230	26,449,461	4,201,476	48,713,260	301,684,427
Results					
Adjusted earnings before interest, taxes, depreciation and amortisation ("EBITDA")	54,988,987	5,071,814	1,430,349	36,074,536	97,565,686
ESOS expenses	(5,211,361)	-	-	-	(5,211,361)
EBITDA	49,777,626	5,071,814	1,430,349	36,074,536	92,354,325
Depreciation	(714,359)	-	-	(12,823,088)	(13,537,447)
Interest income	1,794,230	653,890	-	160,459	2,608,579
Finance costs	(1,729,073)	(1,058,632)	-	(9,007,312)	(11,795,017)
Share of results of an associate	-	-	-	(40,626)	(40,626)
Profit before tax	49,128,424	4,667,072	1,430,349	14,363,969	69,589,814
Income tax expense					(11,987,155)
Profit net of tax					57,602,659
Segment assets	958,385,218	80,983,135	2,334,918	275,002,060	1,316,705,331
<i>Included in the measure of segment assets is:-</i>					
Additions to non-current assets other than financial instruments and deferred tax assets					
- Plant and equipment	1,313,042	-	-	638,885	1,951,927
- Intangible assets	166,027,331	-	-	7,204	166,034,535
	167,340,373	-	-	646,089	167,986,462
Segment liabilities	626,258,480	34,708,203	2,132,168	146,372,844	809,471,695

Notes to the Financial Statements

For the Year Ended 31 October 2018

31. DIVIDENDS

	Company	
	2018	2017
	RM	RM
In respect of financial year ended 31 October 2017:		
- a single tier final dividend of 5.6 sen per share	14,831,246	-
In respect of financial year ended 31 October 2016:		
- a single tier final dividend of 5.2 sen per share	-	13,265,432
	14,831,246	13,265,432

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

32. SUBSEQUENT EVENT

- (i) On 16 November 2018, Cypark Renewable Energy Sdn. Bhd., a wholly-owned subsidiary of the Company, had incorporated a new wholly owned subsidiary, namely, Forenergy Sdn. Bhd. ("FSB") with an issued share capital of RM100 comprising one hundred (100) ordinary shares. The principal activity of FSB is to engage in renewable energy business.
- (ii) On 21 December 2018, the issued share capital of the Company increased to RM387,435,200 comprising 458,007,553 ordinary shares in the Company ("CRB Shares") by way of a bonus issue of 152,669,181 new CRB Shares. The new CRB Shares rank pari passu in all respects with the then existing ordinary shares of the Company.

33. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on 24 January 2019 by the Board of directors.

Statement by Directors

Pursuant to Section 251(2) of the Companies Act 2016

We, Tan Sri Razali Bin Ismail and Dato' Daud Bin Ahmad, being two of the directors of Cypark Resources Berhad, do hereby state that, in the opinion of the directors, the financial statements set out on pages 75 to 149 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 October 2018 and financial performance and cash flows of the Group and of the Company for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the board of directors in accordance with a directors' resolution.

TAN SRI RAZALI BIN ISMAIL

Director

Kuala Lumpur

Date: 24 January 2019

DATO' DAUD BIN AHMAD

Director

Statutory Declaration

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Dato' Daud Bin Ahmad (I/C No: 660126-01-5165), being the director primarily responsible for the financial management of Cypark Resources Berhad, do solemnly and sincerely declare that, to the best of my knowledge and belief, the financial statements set out on pages 75 to 149 are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared)
 by the abovenamed)
 Dato' Daud Bin Ahmad)
)
 at Kuala Lumpur)
 in the Federal Territory)
 this 24 January 2019)

DATO' DAUD BIN AHMAD

Before me:

Analysis of Shareholdings

AS AT 23 JANUARY 2019

Class of equity security	:	Ordinary shares
Voting rights	:	One vote per ordinary share
Total number of issued shares	:	458,007,553

ANALYSIS OF SHAREHOLDINGS

Ordinary shares

Size of Shareholdings	No. of Shareholders	%	No. of Shares Held	%
1 – 99	42	1.66	839	0.00
100 – 1,000	259	10.24	120,753	0.03
1,001 – 10,000	1,344	53.12	5,938,517	1.30
10,001 – 100,000	681	26.92	19,538,256	4.26
100,001 – 22,900,376 (*)	202	7.98	379,366,134	82.83
22,900,377 and above (**)	2	0.08	53,043,054	11.58
TOTAL	2,530	100.00	458,007,553	100.00

Remarks: * Less than 5% of issued shares
** 5% and above of issued shares

SUBSTANTIAL SHAREHOLDERS' INTERESTS

The name and shareholdings of the substantial shareholders of Cypark Resources Berhad based on the Register of Substantial Shareholders of the Company as at 23 January 2019 are as follows:-

Ordinary Shares

Substantial shareholders' name	Direct Interest		Indirect Interest	
	Number of Shares	%	Number of Shares	%
Tan Sri Razali bin Ismail	54,000,370	11.79	-	-
Dato' Daud bin Ahmad	69,882,884	15.26	-	-
Employees Provident Fund Board	40,614,950	8.87	-	-

Analysis of Shareholdings

DIRECTORS' INTERESTS

The Directors' interests based on the Register of Directors' shareholdings of the Company as at 23 January 2019 are as follows:-

Ordinary shares

Directors	Direct Interest		Indirect Interest	
	Number of Shares	%	Number of Shares	%
Tan Sri Razali bin Ismail	54,000,370	11.79	-	-
Dato' Daud bin Ahmad (<i>also the Group Chief Executive Officer</i>)	69,882,884	15.26	-	-
Dato' Dr. Freezailah bin Che Yeom	283,200	0.06	-	-
Datuk Abdul Malek bin Abdul Aziz	139,700	0.03	-	-
Headir bin Mahfidz	157,350	0.03	-	-
Megat Abdul Munir bin Megat Abdullah Rafaie	30,000	0.01	-	-

Employees' Share Options Scheme

Directors	Number of Options	%
Tan Sri Razali bin Ismail	3,000,000	0.66
Dato' Daud bin Ahmad (<i>also the Group Chief Executive Officer</i>)	6,525,000	1.42
Dato' Dr. Freezailah bin Che Yeom	225,000	0.05
Datuk Abdul Malek bin Abdul Aziz	-	-
Headir bin Mahfidz	225,000	0.05
Megat Abdul Munir bin Megat Abdullah Rafaie	225,000	0.05

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS

Ordinary shares

No.	Shareholders	No. of Shares	%
1.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Dato' Daud bin Ahmad</i>	28,068,684	6.13
2.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Tan Sri Razali bin Ismail (8095427)</i>	24,974,370	5.45
3.	Amanahraya Trustees Berhad <i>Amanah Saham Bumiputera</i>	21,311,600	4.65

Analysis of Shareholdings

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS (CONT'D)

No.	Shareholders	No. of Shares	%
4.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Tan Sri Razali bin Ismail</i>	19,491,300	4.26
5.	CIMSEC Nominees (Tempatan) Sdn. Bhd. <i>CIMB Bank for Azmil Khalili bin Khalid (PBCL-0G0018)</i>	17,526,384	3.83
6.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Employees Provident Fund Board</i>	13,977,750	3.05
7.	RHB Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Dato' Daud Bin Ahmad</i>	13,525,350	2.95
8.	Amanahraya Trustees Berhad <i>Public Smallcap Fund</i>	12,545,400	2.74
9.	Permodalan Nasional Berhad <i>Investment Processing Department</i>	11,533,500	2.52
10.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Employees Provident Fund Board (CIMB PRIN)</i>	11,441,400	2.50
11.	Amanahraya Trustees Berhad <i>Public Strategic Smallcap Fund</i>	9,934,050	2.17
12.	Maybank Securities Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Dato' Daud bin Ahmad (Margin)</i>	8,736,000	1.91
13.	TA Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Dato' Daud bin Ahmad</i>	8,201,100	1.79
14.	Public Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Tan Sri Razali bin Ismail (KLC)</i>	7,876,050	1.72
15.	RHB Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Dato' Daud Bin Ahmad</i>	7,421,100	1.62
16.	Malaysia Nominees (Tempatan) Sendirian Berhad <i>Great Eastern Life Assurance (Malaysia) Berhad (LPF)</i>	6,311,700	1.38
17.	Lembaga Tabung Haji <i>Lembaga Tabung Haji, Bahagian Pemerosesan Pelaburan</i>	6,264,000	1.37
18.	CIMSEC Nominees (Tempatan) Sdn. Bhd. <i>CIMB Bank for Koo Kow Kiang @ Ko Keck Ting (PB)</i>	6,110,000	1.33

Analysis of Shareholdings

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS (CONT'D)

No.	Shareholders	No. of Shares	%
19.	Citigroup Nominees (Asing) Sdn. Bhd. <i>Exempt an for Citibank New York (Norges Bank 14)</i>	6,090,971	1.33
20.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>MTrustee Berhad for CIMB Islamic Dali Equity Growth Fund (UT-CIMB-DALI) (419455)</i>	5,907,150	1.29
21.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Kumpulan Wang Persaraan (Diperbadankan) (CIMB Equities)</i>	5,903,400	1.29
22.	Cartaban Nominees (Tempatan) Sdn. Bhd. <i>PAMB for Prulink Equity Fund</i>	5,819,700	1.27
23.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Employees Provident Fund Board (ARIM)</i>	5,388,600	1.18
24.	HSBC Nominees (Tempatan) Sdn. Bhd. <i>HSBC (M) Trustee Bhd for CIMB Islamic Dali Equity Theme Fund</i>	5,376,150	1.17
25.	HSBC Nominees (Tempatan) Sdn. Bhd. <i>HSBC (M) Trustee Bhd for Allianz Life Insurance Malaysia Berhad (MEF)</i>	5,275,500	1.15
26.	Citigroup Nominees (Asing) Sdn. Bhd. <i>Exempt an for Citibank New York (Norges Bank 9)</i>	5,140,029	1.12
27.	Cartaban Nominees (Tempatan) Sdn. Bhd. <i>PBTB for Takafulink Dana Equiti</i>	4,937,450	1.08
28.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Employees Provident Fund Board (F TEMPLETON)</i>	4,599,300	1.00
29.	Amanahraya Trustees Berhad <i>PB Smallcap Growth Fund</i>	4,454,100	0.97
30.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Kumpulan Wang Persaraan (Diperbadankan) (MIDF ABSR EQ)</i>	3,956,700	0.86
TOTAL		298,098,788	65.09

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Fourteenth Annual General Meeting (“14th AGM”) of the Company will be held at Ballroom 2, Level LG, Eastin Hotel, 13, Jalan 16/11, Pusat Dagang Seksyen 16, 46350 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 9 April 2019 at 10:00 a.m. for the following purposes:-

AGENDA

- | | | |
|----|---|--------------------------------------|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 October 2018 together with the Reports of the Directors and the Auditors thereon. | (Please refer to Note 7) |
| 2. | To approve the declaration and payment of a single tier final dividend of 3.9 sen per ordinary share for the financial year ended 31 October 2018. | (Resolution 1) |
| 3. | To approve the payment of Directors’ fees for the financial year ending 31 October 2019 and thereafter. | (Resolution 2) |
| 4. | To approve the payment of Directors’ benefits from 10 April 2019 until the next AGM of the Company. | (Resolution 3) |
| 5. | To re-elect the following Directors who are due to retire in accordance with Article 84 of the Company’s Articles of Association and being eligible, have offered themselves for re-election:-

(a) Dato’ Dr. Freezailah Bin Che Yeom; and

(b) Datuk Abdul Malek Bin Abdul Aziz. | (Resolution 4)

(Resolution 5) |
| 6. | To re-appoint Messrs. Mazars PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. | (Resolution 6) |

As Special Business

To consider and if thought fit, with or without any modification, to pass the following Ordinary and Special Resolutions:-

- | | | |
|----|---|-------------------------------|
| 7. | ORDINARY RESOLUTION NO. 1
- RETENTION OF DATO’ DR. FREEZAILAH BIN CHE YEOM AS AN INDEPENDENT DIRECTOR | (Resolution 7) |
| | “ THAT subject to the passing of Resolution 4, Dato’ Dr. Freezailah Bin Che Yeom who would have served as an Independent Director of the Company for a cumulative term of nine years from 8 June 2019 onwards, be and is hereby retained as an Independent Director of the Company.” | (Please refer to Note 8 (i)) |
| 8. | ORDINARY RESOLUTION NO. 2
- RETENTION OF ENCIK HEADIR BIN MAHFIDZ AS AN INDEPENDENT DIRECTOR | (Resolution 8) |
| | “ THAT Encik Headir Bin Mahfidz who would have served as an Independent Director of the Company for a cumulative term of nine years from 7 September 2019 onwards, be and is hereby retained as an Independent Director of the Company.” | (Please refer to Note 8 (ii)) |
| 9. | ORDINARY RESOLUTION NO. 3
- PROPOSED RENEWAL OF EXISTING SHAREHOLDER MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE | (Resolution 9) |

Notice of Annual General Meeting

“THAT subject to the provisions of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, approval be and is hereby given for the Proposed Renewal of Existing Shareholder Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature for the Company and/or its subsidiaries to enter into and to give effect to the category of the recurrent related party transactions of a revenue or trading nature from time to time with the Related Party as specified in Section 1.4 of the Circular/Statement to Shareholders dated 28 February 2019 provided that such transactions are:-

(Please refer to Note 8 (iii))

- (i) recurrent transactions of a revenue or trading nature;
- (ii) necessary for the Company’s day-to-day operations;
- (iii) carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and
- (iv) not to the detriment of minority shareholders

(the **“Proposed Shareholder Mandate”**);

THAT the authority for the Proposed Shareholder Mandate shall continue to be in force until the earlier of:-

- (i) the conclusion of the next Annual General Meeting (**“AGM”**) of the Company at which time it will lapse unless the authority is renewed by a resolution passed at the next AGM;
- (ii) the expiration of the period within which the next AGM is to be held pursuant to Section 340(2) of the Companies Act 2016 (**“the Act”**) but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act; or
- (iii) is revoked or varied by resolution passed by the shareholders in a general meeting before the next AGM;

AND THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required), as they may consider expedient or necessary to give effect to the Proposed Shareholder Mandate.”

10. **ORDINARY RESOLUTION NO. 4** **- PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK**

(Resolution 10)

“THAT subject to the Companies Act 2016, Bursa Malaysia Securities Berhad (**“Bursa Securities”**) Main Market Listing Requirement, the Articles of Association/Constitution of the Company, and all other applicable laws, rules and regulations, be and is hereby given to the Company to purchase such number of ordinary shares as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit, necessary and expedient in the interest of the Company (**“Proposed Share Buy-Back”**), provided that:-

(Please refer to Note 8 (iv))

- (a) the aggregate number of ordinary shares to be purchased by the Company shall not exceed 10% of the total number of issued shares of the Company at any point in time; and
- (b) the maximum fund to be allocated by the Company for the purpose of purchasing its

Notice of Annual General Meeting

ordinary shares shall not exceed the total retained profits of the Company based on the latest audited financial statements and/or the latest unaudited financial statements (where applicable) available at the time of the purchase.

THAT the authority conferred by this resolution shall continue to be in force until:

- (i) the conclusion of the next Annual General Meeting ("**AGM**") of the Company following this AGM at which this resolution was passed at which time the said authority shall lapse unless by an ordinary resolution passed at that next AGM, the authority is renewed, either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- (iii) the authority is revoked or varied by ordinary resolution passed by the shareholders in a general meeting, whichever, occurs first, but not so as to prejudice the completion of the purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and/or any other relevant governmental and/or regulatory authorities (if any).

THAT upon completion of the purchase by the Company of its own ordinary shares, the Directors be and are hereby authorised to deal with the ordinary shares purchased in their absolute discretion in the following manners:-

- (a) cancel all the ordinary shares so purchased; and/or
- (b) retain the ordinary shares so purchased as treasury shares for distribution as dividend to the shareholders and/or resell on the market of Bursa Securities and/or transfer under an employees' share scheme and/or transfer as purchase consideration; and/or
- (c) retain part thereof as treasury shares and cancel the remainder.

AND THAT the Directors be and are hereby authorised to take all such steps as necessary (including the opening and maintaining of depository account(s) under the Securities Industry (Central Depositories) Act, 1991) and enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time or as the Board may in their discretion deem necessary and to do all such acts and things the Directors may deem fit and expedient in the best interest of the Company."

11. **ORDINARY RESOLUTION NO. 5**
- AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016

[Resolution 11]

"**THAT** subject always to the Companies Act 2016 ("**the Act**"), the Articles of Association/ Constitution of the Company and the approvals from Bursa Malaysia Securities Berhad ("**Bursa Securities**") and any other relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered pursuant to the Act, to issue and allot shares in the capital of the Company from time to time at such price and upon such terms and conditions, for such purposes and to such person or persons whomsoever the Directors may in their absolute deem fit provided always that the aggregate number of shares issued pursuant to this resolution does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being;

[Please refer to Note 8 (v)]

Notice of Annual General Meeting

AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities; **AND FURTHER THAT** such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company.”

12. **ORDINARY RESOLUTION NO. 6**

(Resolution 12)

- PROPOSED RENEWAL OF THE AUTHORITY TO ALLOT AND ISSUE NEW ORDINARY SHARES IN CYPARK RESOURCES BERHAD (“CRB” OR “THE COMPANY”) (“CRB SHARES”), FOR THE PURPOSE OF THE DIVIDEND REINVESTMENT SCHEME (“DRS”) OF THE COMPANY WHICH WILL PROVIDE THE SHAREHOLDERS OF CRB WITH THE OPTION TO ELECT TO REINVEST THEIR CASH DIVIDEND IN CRB SHARES (“PROPOSED RENEWAL OF DRS AUTHORITY”)

“**THAT** pursuant to the DRS as approved by the Shareholders at the Tenth Annual General Meeting of the Company held on 21 April 2015 and subject to the approval of the relevant regulatory authorities (if any), approval be and is hereby given to the Directors to allot and issue such number of new CRB Shares from time to time as may be required to be allotted and issued pursuant to the DRS until the conclusion of the next Annual General Meeting upon such terms and conditions as stated in Circular to Shareholders dated 30 March 2015, **PROVIDED THAT** the issue price of the said new CRB Shares shall be fixed by the Board of Directors at not more than ten percent (10%) discount to the five (5)-market day volume weighted average market price (“**VWAP**”) of CRB Shares immediately preceding the price-fixing date, of which the VWAP shall be adjusted ex-dividend before applying the said discount in fixing the issue price;

(Please refer to Note 8 (vi))

AND THAT the Directors of the Company be and are hereby authorised to do all such acts and enter into all such transactions, arrangements and documents as may be necessary or expedient in order to give full effect to the DRS with full power to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed or agreed to by any relevant authorities or consequent upon the implementation of the said conditions, modifications, variations and/or amendments or at the discretion of the Directors in the best interest of the Company.”

13. **SPECIAL RESOLUTION**

(Resolution 13)

- PROPOSED ADOPTION OF A NEW CONSTITUTION OF THE COMPANY (“PROPOSED ADOPTION”)

“**THAT** approval be and is hereby given to revoke the existing Memorandum and Articles of Association of the Company in its entirety and in place thereof, a new constitution as set out in Appendix III of the Circular/Statement to Shareholders dated 28 February 2019 be and is hereby adopted as the Constitution of the Company with immediate effect;

(Please refer to Note 8 (vii))

AND THAT the Directors of the Company be and are hereby authorised to do all such acts, deeds and things as are necessary and/or expedient in order to give full effect to the Proposed Adoption with the full power to assent to any conditions, modification, and/or amendments as may be required by any relevant authorities to give effect to the Proposed Adoption.”

14. To transact any other ordinary business of which due notice shall have been given.

Notice of Annual General Meeting

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

Notice is hereby given that the single tier final dividend of 3.9 sen per ordinary share for the financial year ended 31 October 2018, if approved by the shareholders at the Fourteenth Annual General Meeting, will be payable on 28 June 2019 to shareholders whose names appear in the Record of Depositors on 31 May 2019.

A Depositor shall qualify for entitlement to the dividend only in respect of:

- (a) Shares transferred into the Depositor's securities account before 4:00 p.m. on 31 May 2019 in respect of ordinary transfers; and
- (b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board

CHUA SIEW CHUAN (MAICSA 0777689)

YEOW SZE MIN (MAICSA 7065735)

Company Secretaries
Kuala Lumpur

Dated: 28 February 2019

NOTES:

1. In respect of deposited securities, only members/shareholders whose names appear in the Record of Depositors on 2 April 2019 shall be eligible to attend the Meeting.
2. A shareholder of the Company entitled to attend and vote at the Meeting is entitled to appoint one (1) or more proxies to attend and vote in his stead. A member may appoint more than one (1) proxy in relation to a meeting, provided that the member specifies the proportion of the member's shareholdings to be represented by each proxy.
3. A proxy may but need not be a shareholder of the Company and a shareholder may appoint any person to be his proxy without limitation. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the shareholder to speak at the Meeting.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under Seal or under the hand of an officer or attorney duly authorised.
5. Where a shareholder of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. Where a shareholder is an authorised nominee as defined under SICDA, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
6. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarised certified copy of that power or authority, shall be deposited at the Registered Office of the Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the Meeting or any adjournment thereof. All resolutions set out in the Notice of the Meeting are to be voted by poll.

Notice of Annual General Meeting

7. This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Act does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.
8. Explanatory Note to Special Business:

(i) **Resolution 7 – Retention of Dato’ Dr. Freezailah Bin Che Yeom as an Independent Director**

Dato’ Dr. Freezailah Bin Che Yeom (“**Dato’ Dr. Freezailah**”) was appointed as an Independent Director of the Company on 8 June 2010 and has served the Board for a cumulative term from 8 June 2019 onwards. The Board of Directors of the Company through its Nomination Committee, after having assessed the independence of Dato’ Dr. Freezailah, regards him to be independent based amongst others, the following justifications, and recommends that Dato’ Dr. Freezailah be retained as an Independent Director of the Company subject to the approval from the shareholders of the Company pursuant to Practice 4.2 of the Malaysian Code on Corporate Governance:-

- (a) Dato’ Dr. Freezailah has fulfilled the definition of an independent director as set out under Paragraph 1.01 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements :
 - is not an executive director of the Company or any related corporation (each corporation is referred to as “**said Corporation**”);
 - has not been within the last 2 years and is not an officer (except as a non executive director) of the said Corporation. [“**officer**” has the meaning given in section 2 of the Companies Act 2016];
 - is not a major shareholder the said Corporation;
 - is not a family member of any executive director, officer or major shareholder of the said Corporation;
 - is not acting as a nominee or representative of any executive director or major shareholder of the said Corporation;
 - has not been engaged as an adviser by the said Corporation under such circumstances as prescribed by Bursa Malaysia Securities Berhad (“**the Exchange**”) or is not presently a partner, director (except as an independent director) or major shareholder, as the case may be, of a firm or corporation which provides professional advisory services to the said Corporation under such circumstances as prescribed by the Exchange; or has not engaged in any transaction with the said Corporation under such circumstances as prescribed by the Exchange or is not presently a partner, director or major shareholder, as the case may be, of a firm or corporation (other than subsidiaries of the applicant or listed issuer) which has engaged in any transaction with the said Corporation under such circumstances as prescribed by the Exchange;
 - is not a director who is accepting compensation from the said Corporation, other than compensation for board service for the current or immediate financial year; or
 - is not having a relationship which would interfere with the exercise of independent judgement in carrying out the functions as a director or a member of the Audit Committee, Nomination Committee and Risk Management Committee.
- (b) Dato’ Dr. Freezailah has not been involved in any business or other relationship which could hinder the exercise of independent judgement, objectivity or his ability to act in the best interests of the Company;
- (c) Dato’ Dr. Freezailah has no potential conflict of interest, whether business or non-business related with the Company;
- (d) Dato’ Dr. Freezailah has not established or maintained any significant personal or social relationship, whether direct or indirect, with the Executive Chairman, Group Chief Executive Officer, major shareholders or management of the Company (including their family members) other than normal engagements and interactions on a professional level consistent with his duties and expected of him to carry out his duties as an independent director; and

Notice of Annual General Meeting

- (e) Dato' Dr. Freezailah does not derive any remuneration and other benefits apart from Directors' fees that are approved by shareholders.

(ii) **Resolution 8 – Retention of Encik Headir Bin Mahfidz as an Independent Director**

Encik Headir Bin Mahfidz (“**Encik Headir**”) was appointed as an Independent Director of the Company on 7 September 2010 and has served the Board for a cumulative term from 7 September 2019 onwards. The Board of Directors of the Company through its Nomination Committee, after having assessed the independence of Encik Headir, regards him to be independent based amongst others, the following justifications, and recommends that Encik Headir be retained as an Independent Director of the Company subject to the approval from the shareholders of the Company pursuant to Practice 4.2 of the Malaysian Code on Corporate Governance:-

- (a) Encik Headir has fulfilled the definition of an independent director as set out under Paragraph 1.01 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements :
- is not an executive director of the Company or any related corporation (each corporation is referred to as “**said Corporation**”);
 - has not been within the last 2 years and is not an officer (except as a non executive director) of the said Corporation. [“**officer**” has the meaning given in section 2 of the Companies Act 2016];
 - is not a major shareholder the said Corporation;
 - is not a family member of any executive director, officer or major shareholder of the said Corporation;
 - is not acting as a nominee or representative of any executive director or major shareholder of the said Corporation;
 - has not been engaged as an adviser by the said Corporation under such circumstances as prescribed by Bursa Malaysia Securities Berhad (“**the Exchange**”) or is not presently a partner, director (except as an independent director) or major shareholder, as the case may be, of a firm or corporation which provides professional advisory services to the said Corporation under such circumstances as prescribed by the Exchange; or has not engaged in any transaction with the said Corporation under such circumstances as prescribed by the Exchange or is not presently a partner, director or major shareholder, as the case may be, of a firm or corporation (other than subsidiaries of the applicant or listed issuer) which has engaged in any transaction with the said Corporation under such circumstances as prescribed by the Exchange;
 - is not a director who is accepting compensation from the said Corporation, other than compensation for board service for the current or immediate financial year; or
 - is not having a relationship which would interfere with the exercise of independent judgement in carrying out the functions as a director or a member of the Audit Committee, Nomination Committee and Risk Management Committee.
- (b) Encik Headir has not been involved in any business or other relationship which could hinder the exercise of independent judgement, objectivity or his ability to act in the best interests of the Company;
- (c) Encik Headir has no potential conflict of interest, whether business or non-business related with the Company;
- (d) Encik Headir has not established or maintained any significant personal or social relationship, whether direct or indirect, with the Executive Chairman, Group Chief Executive Officer, major shareholders or management of the Company (including their family members) other than normal engagements and interactions on a professional level consistent with his duties and expected of him to carry out his duties as an independent director; and
- (e) Encik Headir does not derive any remuneration and other benefits apart from Directors' fees that are approved by shareholders.

Notice of Annual General Meeting

(iii) **Resolution 9 – Proposed Shareholder Mandate**

The proposed Resolution 9 is intended to enable the Company and/or its subsidiaries (“**the Group**”) to enter into recurrent related party transactions or a revenue or trading nature which are necessary for the Group’s day-to-day operations to facilitate transactions in the normal course of business of the Group with the specified classes of related parties, provided that they are carried out on an arms’ length basis and on normal commercial terms and are not prejudicial to the shareholders on terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

Please refer to the Circular/Statement to Shareholders dated 28 February 2019 for further information.

(iv) **Resolution 10 – Proposed Authority for the Company to Purchase Its Own Shares**

The proposed Resolution 10 is intended to allow the Company to purchase its own shares up to 10% of the total number of issued shares in the ordinary share capital of the Company at any time within the time period stipulated in the Bursa Malaysia Securities Berhad Main Market Listing Requirements.

Please refer to the Circular/Statement to Shareholders dated 28 February 2019 for further information.

(v) **Resolution 11 – Authority to Issue Shares**

The proposed Resolution 11 is intended to renew the authority granted to the Directors of the Company at the Thirteenth Annual General Meeting of the Company held on 9 April 2018 (“**Previous Mandate**”) to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of the shares issued does not exceed 10% of the total number of issued shares of the Company for the time being (hereinafter referred to as the (“**General Mandate**”).

Pursuant to the Previous Mandate, the Company has undertaken a private placement exercise in three (3) tranches where 28,737,000 new ordinary shares of RM0.50 each have been issued as at the date of this Notice.

The new General Mandate will enable the Directors to take swift action for allotment of shares for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s), working capital and/or acquisition(s) and to avoid delay and cost in convening general meetings to approve such issue of shares.

(vi) **Resolution 12 – Proposed Renewal of DRS Authority**

The proposed Resolution 12, if approved, will give authority to the Directors to allot and issue new CRB Shares under the DRS, until the conclusion of the next Annual General Meeting. A renewal of this authority will be sought at subsequent Annual General Meetings.

(vii) **Special Resolution – Proposed Adoption of a New Constitution of the Company (“Proposed Adoption”)**

The proposed resolution 13 is undertaken primarily to streamline the existing Memorandum and Articles of Association (“**M&A**”) of the Company with the Companies Act 2016, which was effective from 31 January 2017. The Proposed Adoption is also to align the existing M&A with the Main Market Listing Requirements issued by Bursa Malaysia Securities Berhad on 29 November 2017, and to provide clarity to certain provision thereof and to render consistency throughout in order to facilitate and further enhance administrative efficiency.

Please refer to the Circular/Statement to Shareholders dated 28 February 2019 for further information.

Notice of Annual General Meeting

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the 14th AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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CDS Account No.

Number of ordinary shares held

*I/We (full name),
bearing *NRIC No./Passport No./Company No.
of (full address)
being a *member/members of Cypark Resources Berhad ("the Company") hereby appoint:-

FIRST PROXY "A"

FULL NAME (IN BLOCK)	NRIC/ PASSPORT NO.	PROPORTION OF SHAREHOLDINGS	
		NO. OF SHARES	%
FULL ADDRESS			

and/or failing *him/her,

SECOND PROXY "B"

FULL NAME (IN BLOCK)	NRIC/ PASSPORT NO.	PROPORTION OF SHAREHOLDINGS	
		NO. OF SHARES	%
FULL ADDRESS			

to put on a separate sheet where there are more than two (2) proxies.

100%

or failing *him/her, the *Chairman of the Meeting as *my/our proxy to vote for *me/us and on *my/our behalf at the Fourteenth Annual General Meeting of the Company to be held at Ballroom 2, Level LG, Eastin Hotel, 13, Jalan 16/11, Pusat Dagang Seksyen 16, 46350 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 9 April 2019 at 10:00 a.m. and at any adjournment thereof.

In the case of a vote by a show of hands, my proxy _____ [one (1) only] shall vote on *my/our behalf.

Please indicate with an "X" in the spaces provided below as to how you wish your votes to be casted. If no specific direction as to voting is given, the proxy will vote or abstain from voting at *his/her discretion.

Item	Agenda	Resolution	For	Against
1.	To receive the Audited Financial Statements for the financial year ended 31 October 2018 together with the Reports of the Directors and the Auditors thereon.			
2.	To approve the declaration and payment of a single tier final dividend of 3.9 sen per ordinary share for the financial year ended 31 October 2018.	1		
3.	To approve the payment of Directors' fees for the financial year ending 31 October 2019 and thereafter.	2		
4.	To approve the payment of Directors' benefits from 10 April 2018 until the next AGM of the Company.	3		
5.	To re-elect Dato' Dr. Freezailah Bin Che Yeom, who is due to retire in accordance with Article 84 of the Company's Articles of Association and being eligible, has offered himself for re-election.	4		
6.	To re-elect Datuk Abdul Malek Bin Abdul Aziz, who is due to retire in accordance with Article 84 of the Company's Articles of Association and being eligible, has offered himself for re-election.	5		
7.	To re-appoint Messrs. Mazars PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.	6		
Special Business				
8.	To retain Dato' Dr. Freezailah Bin Che Yeom as an Independent Director of the Company.	7		
9.	To retain Encik Headir bin Mahfidz as an Independent Director of the Company.	8		
10.	Proposed Renewal of Existing Shareholder Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.	9		
11.	Proposed Renewal of Authority for Share Buy-Back.	10		
12.	Authority to Issue Shares pursuant to the Companies Act 2016.	11		
13.	Proposed Renewal of Authority to Issue Shares pursuant to the Dividend Reinvestment Scheme.	12		
14.	Proposed Adoption of a New Constitution of the Company.	13		

As witness my/our hand(s) this day _____ of _____, 2019.

*Signature/Common Seal of Member

* Strike out whichever not applicable

Notes:-

1. In respect of deposited securities, only members/shareholders whose names appear in the Record of Depositors on 2 April 2019 shall be eligible to attend the Meeting.
2. A shareholder of the Company entitled to attend and vote at the Meeting is entitled to appoint one (1) or more proxies to attend and vote in his stead. A member may appoint more than one (1) proxy in relation to a meeting, provided that the member specifies the proportion of the member's shareholdings to be represented by each proxy.
3. A proxy may but need not be a shareholder of the Company and a shareholder may appoint any person to be his proxy without limitation. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the shareholder to speak at the Meeting.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under Seal or under the hand of an officer or attorney duly authorised.
5. Where a shareholder of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("**SICDA**") which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. Where a shareholder is an authorised nominee as defined under SICDA, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
6. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarised certified copy of that power or authority, shall be deposited at the Registered Office of the Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the Meeting or any adjournment thereof. All resolutions set out in the Notice of the Meeting are to be voted by poll.

FOLD HERE

STAMP

The Company Secretary
CYPARK RESOURCES BERHAD (642994-H)
c/o Securities Services (Holdings) Sdn Bhd (36869-T)
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur

FOLD HERE

www.crbenv.com



Cypark

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