Annual Report **2019**

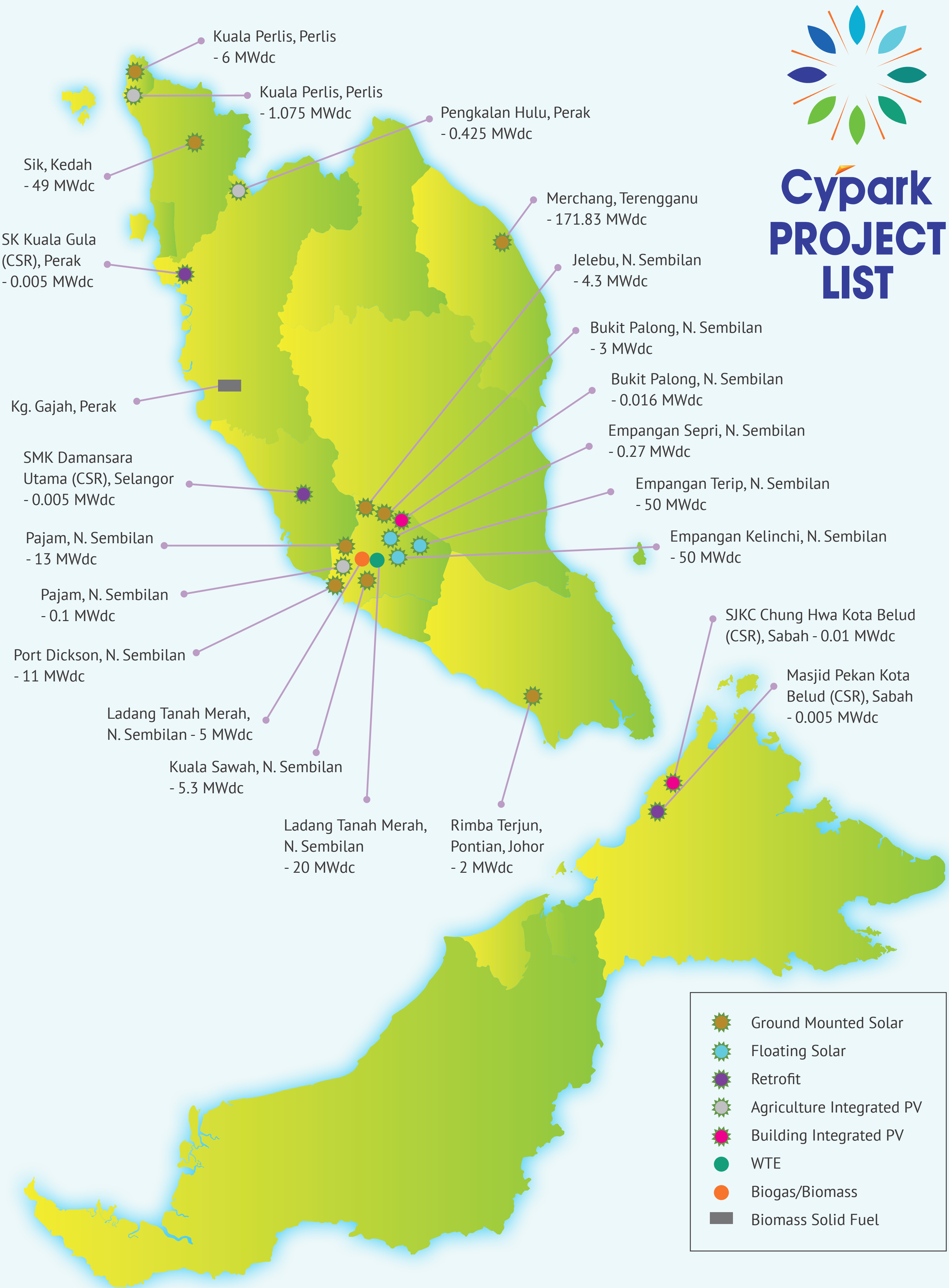
ENERGISING A SUSTAINABLE FUTURE

Cover Rationale

ENERGISING A SUSTAINABLE FUTURE

Leveraging on CYPARK's multi-disciplinary professionals, we are proud to offer the highest standards of environmental-friendly services and engineering for the community. We strive to grow from strength to strength to achieve greater success on delivering our commitment to innovation.

The Company have emerged its value across the core businesses, seizing opportunities as they come our way. With commitment and dedication, we are aspired to energise a sustainable future through harnessing our resources to add values for our stakeholders in the areas of Integrated Renewable Energy, Green Technology, Environmental Engineering & Solutions and Construction Engineering.


Cypark
PROJECT LIST
Kuala Perlis, Perlis - 6 MWdc
Kuala Perlis, Perlis - 1.075 MWdc
Pengkalan Hulu, Perak - 0.425 MWdc
Sik, Kedah - 49 MWdc
Merchang, Terengganu - 171.83 MWdc
SK Kuala Gula (CSR), Perak - 0.005 MWdc
Jelebu, N. Sembilan - 4.3 MWdc
Bukit Palong, N. Sembilan - 3 MWdc
Bukit Palong, N. Sembilan - 0.016 MWdc
Kg. Gajah, Perak
Empangan Sepri, N. Sembilan - 0.27 MWdc
SMK Damansara Utama (CSR), Selangor - 0.005 MWdc
Empangan Terip, N. Sembilan - 50 MWdc
Pajam, N. Sembilan - 13 MWdc
Empangan Kelinchi, N. Sembilan - 50 MWdc
Pajam, N. Sembilan - 0.1 MWdc
SJKC Chung Hwa Kota Belud (CSR), Sabah - 0.01 MWdc
Port Dickson, N. Sembilan - 11 MWdc
Masjid Pekan Kota Belud (CSR), Sabah - 0.005 MWdc
Ladang Tanah Merah, N. Sembilan - 5 MWdc
Kuala Sawah, N. Sembilan - 5.3 MWdc
Ladang Tanah Merah, N. Sembilan - 20 MWdc
Rimba Terjun, Pontian, Johor - 2 MWdc
Ground Mounted Solar
Floating Solar
Retrofit
Agriculture Integrated PV
Building Integrated PV
WTE
Biogas/Biomass
Biomass Solid Fuel

WHAT'S INSIDE

Logo Rationale

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.

Online Version

2019 Annual Report

Scan the QR Code by following these simple steps

1 **Get it**
Download the "QR Code Reader" app from Google Play (Android Market), BlackBerry AppWorld, App Store (iOS/iPhone) or Windows Phone Store

2 **Run it**
Run the QR Code Reader app and point your camera at the QR Code

3 **Access it**
Get access to Cypark Resources Berhad's website

WHO WE ARE

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 environmental-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.

At A Glance

REVENUE
RM376.7 M

ADJUSTED EBITDA
RM143.6 M

PROFIT AFTER TAX
RM91.3 M

NET ASSET 2019
RM757.2 M

Sanitary Landfill Receiving Waste Capacity
1,000 Tonnes Per Day

Avoidance of Carbon Dioxide Equivalence (Co2 Eq) from 2013-2019
195,771.27 Tonnes

Coal Fire Avoidance from 2013-2019
34,851.55 Tonnes

Renewable Energy Generation from 2013 to 2019
283,726.48 MWh

Capacity of Renewable Energy from Solar Project
47.17 MWp

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

WHO WE ARE

Vision

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

Mission

To enhance the quality of living environment.

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

Philosophy

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

Value

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

Quality
Enhanced living quality through superior services

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

Professionalism
Fostered performance through integrity and commendable work ethics

Diligence
Energised commitment in execution, products, and services

Consistency
Constant innovation, professionalism, and delivery

CORPORATE INFORMATION

BOARD OF DIRECTORS

TAN SRI RAZALI BIN ISMAIL
Executive Chairman
Non-Independent Executive Director

DATO' DAUD BIN AHMAD
Group Chief Executive Officer
Non-Independent Executive Director

DATO' DR. FREEZAILAH BIN CHE YEOM
Independent Non-Executive Director

ENCIK HEADIR BIN MAHFIDZ
Independent Non-Executive Director

ENCIK MEGAT ABDUL MUNIR BIN MEGAT ABDULLAH RAFAIE
Independent Non-Executive Director

DATUK ABDUL MALEK BIN ABDUL AZIZ
Independent Non-Executive Director

AUDIT COMMITTEE

Chairman
Dato' Dr. Freezailah bin Che Yeom
Members
Encik Headir bin Mahfidz
Encik Megat Abdul Munir
bin Megat Abdullah Rafaie

NOMINATION COMMITTEE

Chairman
Dato' Dr. Freezailah bin Che Yeom
Members
Encik Headir bin Mahfidz
Encik Megat Abdul Munir
bin Megat Abdullah Rafaie

RISK MANAGEMENT COMMITTEE

Chairman
Datuk Abdul Malek bin Abdul Aziz
Members
Encik Headir bin Mahfidz
Encik Megat Abdul Munir
bin Megat Abdullah Rafaie

REMUNERATION COMMITTEE

Chairman
Dato' Dr. Freezailah bin Che Yeom
Members
Tan Sri Razali bin Ismail
Datuk Abdul Malek bin Abdul Aziz

COMPANY SECRETARIES

Chua Siew Chuan (MAICSA 0777689)
SMM PC No. : 201908002648
Yeow Sze Min (MAICSA 7065735)
SSM PC No. : 201908003120

CORPORATE OFFICE

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

REGISTERED OFFICE

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

SHARE REGISTRAR

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

AUDITORS

MAZARS PLT (AF001954)
LLP0010622-LCA
Chartered Accountants
Wisma Golden Eagle Realty
11th Floor, South Block,
142-A Jalan Ampang
50450 Kuala Lumpur
Tel : 03-2161 5222

PRINCIPAL BANKERS

- Malayan Banking Berhad
  [196001000142 (3813-K)]
  Menara Maybank
  100, Jalan Tun Perak
  50050 Kuala Lumpur
  Tel : 03-2070 8833

- OCBC Bank (Malaysia) Berhad
  [199401009721 (295400-W)]
  Menara OCBC
  18, Jalan Tun Perak
  50050 Kuala Lumpur
  Tel : 03-2034 5034

- Standard Chartered Saadiq Berhad
  [200801022118 (823437-K)]
  Menara Standard Chartered
  30, Jalan Sultan Ismail
  50250 Kuala Lumpur
  Tel : 03-2117 7726

- Kuwait Finance House (Malaysia) Berhad
  [200401033666 (672174-T)]
  Level 26, Menara Prestige
  No.1, Jalan Pinang, P.O. Box 10103
  50450 Kuala Lumpur
  Tel : 03-2168 0000

- RHB Islamic Bank Berhad
  [200501003283 (680329-V)]
  Rhb Centre, Jalan Tun Razak
  50400 Kuala Lumpur
  Tel : 03-2780 7880

- Alliance Islamic Bank Berhad
  [200701018870 (776882-V)]
  Menara Multi-Purpose, Capital Square
  8 Jalan Munshi Abdullah
  50100 Kuala Lumpur
  Tel : 03-2694 8800

STOCK EXCHANGE LISTING

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

MALAYSIA'S FIRST SMART WTE

Solid Waste Modular Advanced Recovery and Treatment Waste-To-Energy Plant ("SMART WTE") Ladang Tanah Merah, Negeri Sembilan

Air Cooled Condenser (ACC)

Bag Filter & Fly Ash Silo

Economizer Fins

Flue Gas Treatment System & Stack

Moving Grate (External)

Incinerator & Boiler

Economizer

Moving Grate (Internal)

Bunker

Superheater

Waste Segregation Facility (WSF)

LARGEST FLOATING SOLAR SYSTEM (100MWDC) IN MALAYSIA

Empangan Terip, Negeri Sembilan (50MWdc) - (On Going) COD: Dec 2020





Empangan Kelinchi, Negeri Sembilan (50MWdc) - (On Going) COD: Dec 2020





OTHER PROJECT HIGHLIGHTS

1

2

4

5

8

9

OTHER PROJECT HIGHLIGHTS

1. Agriculture Integrated Photovoltaic (AIPV) System
2. Ground Mounted Solar Plant Jelebu, Negeri Sembilan (4.3MWdc)
3. Leachate Treatment Plant
4. Landfill Restoration
5. Ground Mounted Solar Plant Ladang Tanah Merah, Negeri Sembilan (11MWdc)
6. Waste Water Management
7. Solid Recovered Fuel (SRF) Facility Kampung Gajah, Perak
8. Fully Anaerobic Bioreactor System Generation Plant (“FABIOS”)
9. Waste Segregation Facility (WSF)
10. Biomass Solid Fuel

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.

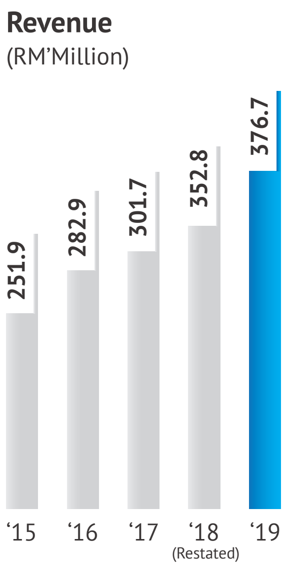
The company develops investor relation's team to identify key investors' interests, issues and concerns, and develops best approaches and engagements in responding to the revelant interest and concerns. The team, led by the Group Chief Executive Officer and Group Chief Financial Officer, are responsible to lead, drive and facilitate investors' relations efforts and communications to ensure greater involvement with the investment community.

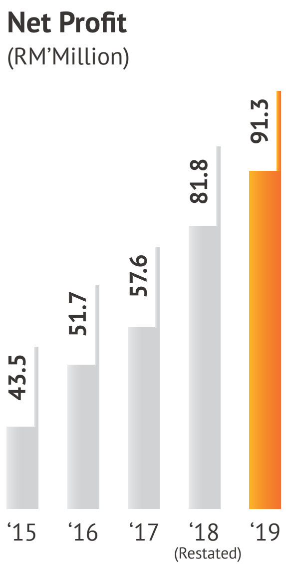
Investor Relation's engagement activities including presentations, meetings and site visits, which have allowed access to the Company's management for better understanding of the latest updates in the industry. Apart from that, Cypark's Investor Relations portal on the website is continuously updated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

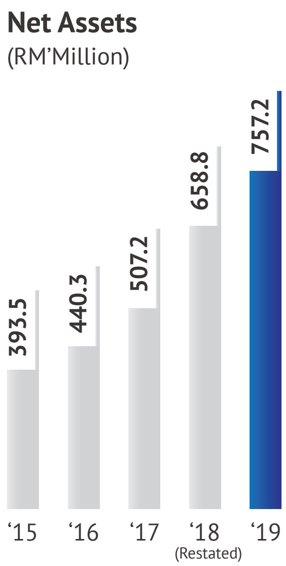
KEY PERFORMANCE HIGHLIGHTS

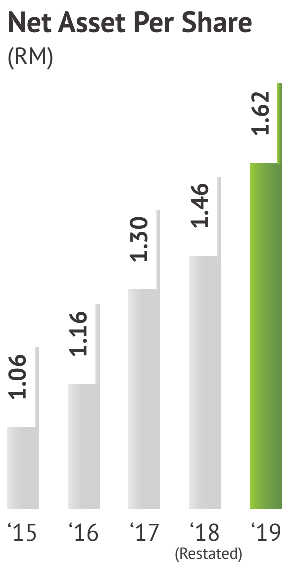
Financial Year	2015	2016	2017	2018 (Restated)	2019
Revenue (RM)	251,853,256	282,929,184	301,684,427	352,818,411	**376,739,190**
Net Profit (RM)	43,515,979	51,713,230	57,602,659	81,752,604	**91,282,247**
Net Assets (RM)	393,530,834	440,320,772	507,233,636	658,806,117	**757,179,277**
Basic Earnings Per Share (sen) *	13.82	13.77	15.00	19.94	**19.82**
Net Asset Per Share (RM) *	1.06	1.16	1.30	1.46	**1.62**

* Figures from year 2015 to 2018 have been adjusted and presented for comparative purposes as a result of Bonus Issue in 2019









AWARDS & ACCOLADES

NO.	ORGANISATION	AWARD
1	National Energy Awards	• Winner for On-Grid (National Grid) for 2019 (Category 2 – Renewable Energy)
2	Asian Power Awards	• Innovative Power Technology of the Year - Malaysia 2018 • Environmental Upgrade of the Year - Malaysia 2018 • Solar Power Project of the Year - Malaysia 2018 • Gold Award for Solar Power Project of the Year 2016 • Silver Award for Environmental Upgrade of the Year 2016 • Award for Renewable Power Producer of the Year (Malaysia) 2016 • Power Utility of the Year (Malaysia) 2012
3	Focus Malaysia's Best Under Billion Awards 2018 (BUBA2018)	• Best in Online Presence
4	ASEAN Energy Awards	• Winner of the ASEAN Best Practices for Renewable Energy Project Award 2016 • Special Submission category of the ASEAN Best Practices for Renewable Energy Project Award 2014
5	Finance Asia Magazine	• Asia's Best Companies 2015 • Best Small Cap Company for Malaysia
6	Malaysian GreenTech Awards (organized by Malaysia's Ministry of Energy, Green Technology & Water)	• Malaysia Top 30 Green Catalyst for 2014 • GreenTech Developer Award 2012 (silver)
7	Power & Electricity Award (Asia)	• Solar Project of the Year 2013
8	Malaysia Book of Records	• Largest Grid-Connected Solar Park • Most Number of Solar Panels on a Grid-Connected Solar Park (Safely Closed Landfill)
9	PFI Asia Awards	• Islamic Deal of The Year 2019
10	Islamic Finance News (IFN) Awards	• Green Project of the Year 2019

MEDIA PRESENCE 2019

JANUARY - MARCH 2019


Renewable energy to drive Cypark

1 Renewable energy to drive Cypark
FocusM (5 Jan 2019)

"Cypark`s green technology segment is well placed to benefit from an increasing push towards energy efficiency and cleaner fuels, amid efforts to deal with climate change challenges."


First WTE incinerator to begin operation by June

2 First WTE incinerator to begin operation by June
The Malaysian Reserve, Nanyang Siang Pau, Guang Ming Daily, Sin Chew Daily
(17 - 18 March 2019)

"The facility would be able to produce between 20MW and 25MW of green energy, sufficient to power about 25,000 households within its vicinity"

MEDIA PRESENCE 2019

APRIL - JUNE 2019

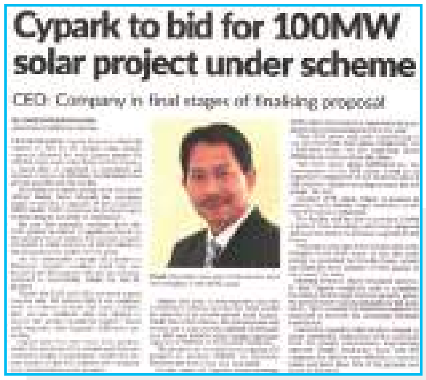
Cypark's FY19-21 earnings expected to be stronger

We expect the WTE plant to generate stable revenues of about RM80 million per year over its 25-year concession.

3

Cypark`s FY19-21 earnings expected to be stronger
The Edge Financial Daily
(2 April 2019)

"The company`s 1QFY19 core net profit increased 6% year-on-year, supported by higher revenue (+5% y-o-y), particularly from its environmental engineering (+4% y-o-y) division due to new projects secured, as well as its landscaping and infrastructure (+28% y-oy) division due to increase in work activities for preliminary and site preparation works from new projects secured"



Cypark to bid for 100MW solar project under scheme

CEO: Company in final stages of finalising proposal

4

Cypark to bid for 100MW solar project under scheme
The Star (10 April 2019)

" As the renewable energy (RE) leader in Malaysia, Cypark considers itself the cost leader in RE segment. We are also well-positioned to successful tender for the RE project."

Cypark sees double-digit revenue growth

Group's renewable energy segment set to emerge as main revenue contributor — CEO

5

Cypark sees double-digit revenue growth
The Edge Financial Daily
(10 April 2019)

"By end-2020, Cypark will manage a combined capacity of 231MW from the completed WTE plant, as well as its projects under the government`s initial and second cycle of its large-scale solar scheme, LSS1 and LSS2"

MEDIA PRESENCE 2019

JULY - SEPTEMBER 2019

Cypark plans RM550m sukuk to fund solar projects

PETALING JAYA: Cypark Resources Bhd proposes an Islamic Medium-Term Notes Programme of up to RM550 million to finance three solar photovoltaic power plant projects.

It includes the costs and expenses associated with the design, engineering, procurement, construction and commissioning, ownership, operation and maintenance of the three 30MWAC solar photovoltaic power plant projects.

In addition, proceeds from the sukuk will also be used to finance the profit payments of the sukuk during the construction period and to pre-fund the initial minimum required balance to be deposited into the finance service reserve account.

The sukuk will have a tenure of up to 22 years from the date of first issuance.

Maybank Investment Bank has been appointed as the principal adviser, lead arranger and lead manager for the sukuk programme.

6

Cypark plans RM550m sukuk to fund solar projects
The Sun (3 July 2019)

"In additional, proceeds from the sukuk will also be used to finance the profit payments of the sukuk during the construction period and to prefund the initial minimum required balance to be deposited into the finance service reserve account"

8

Cypark bags National Energy Award for Malaysia`s first grid connected floating solar project
Borneo Post Kuching (3 August 2019)

"Over the years, we strive to build a relationship of trust with out stakeholders through our service offerings and expertises. It is our top priority and a continuous effort to ensure we deliver quality. Innovative solations to all our customers"

Cypark bags National Energy Award for Malaysia's first grid connected floating solar project

7

Kedah mampu raih pelaburan RM6 bilion
Berita Harian (23 Julai 2019)

"Pelan Induk Tenaga Hijau dan Tenaga Boleh Diperbaharui ini menggariskan empat teras utama iaitu pembangunan tenaga solar, biomas, biogas dan hidroelektrik"

Kedah mampu raih pelaburan RM6 bilion

9

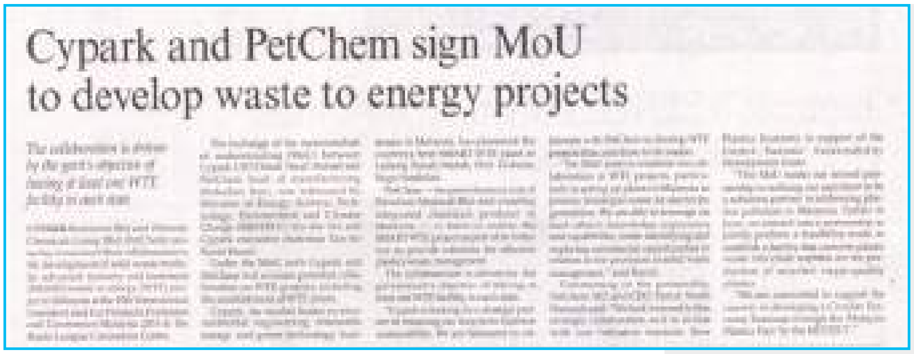
Cypark bags RM12.53mil road construction contract
The Star
(15 August 2019)

"The work is expected to contribute positively to the earnings and net assets of the group for the financial years ending Oct 31, 2019 and 2020"

Cypark bags RM12.53mil road construction contract

MEDIA PRESENCE 2019

OCTOBER - DECEMBER 2019



10 Cypark and PetChem sign MoU to develop waste to energy projects
The Malaysia Reserve
(11 October 2019)

"Cypark is looking for a strategic partner in ensuring our long-term business sustainability. We are honoured to collaborate with PetChem to develop WTE projects that contribute to the nation."

11 Cypark inks deals to jointly develop solar projects
The Star
(11 October 2019)

"The MoU aimed to establish Cypark`s collaboration in WTE projects, particularly in setting up plants in Malaysia to process municipal waste for electricity generation"

12 Cypark reorganises loans to address debt-cash flow mismatch
The Edge Financial Daily
(16 December 2019)

"Cypark has been achieving a double-digit growth in net profit every year since its financial year ended Oct 31, 2012 (FY12)"

CHAIRMAN'S STATEMENT

TAN SRI RAZALI BIN ISMAIL
Executive Chairman
Non-Independent
Executive Director

DEAR SHAREHOLDERS,

2019 has truly been a tremendous year for Cypark as we have achieved multiple key significant milestones on our journey to become a major player in the environmental solutions, green technology and renewable energy industry in the region. For instance, we have issued our first RM550 million Sukuk to fund the design, construction and operation of three Large Scale Solar ("LSS") 2 projects. Besides, we are the only local company that won the 100 megawatts of alternating current (MWac) solar plant tender, which made Cypark the only company that won in all three LSS tenders. Furthermore, we have also signed the Memorandum of Understanding ("MoU") with the state government investment arms of Kedah and Negeri Sembilan to develop the 150MW rooftop solars project under the Net Energy Metering ("NEM") scheme. With all these being said, we have proved ourselves to be able to thrive despite all the challenges such as challenging economic situation.

We believe that the government's initiatives for the Malaysian Electricity Supply Industry 2.0 ("MESI 2.0") would be the major catalyst in opening up more opportunities especially for renewable energy players like Cypark, which in turn will directly enhance Cypark's growth in the long run. Electrification, digitalisation and decentralisation would be the keys to supply reliable and sustainable energy efficiently with competitive tariff. We have witnessed the government's unwavering commitment in meeting its renewable energy mix target of 20% by 2025 via the launching of the improved NEM scheme and more LSSs and other renewable energy tenders, where all the projects amount to more than 1,500MW. We are deeply convinced that the government will continue on the efforts in order to meet the desired target. I am truly excited about the future of the company in the next 5 years to come.

CHAIRMAN'S STATEMENT

Prime Minister of Malaysia, Tun Mahathir Mohamad visited Cypark`s booth during International Greentech & Eco Products Exhibition & Conference Malaysia (IGEM) 2019 at Kuala Lumpur Convention Centre, Kuala Lumpur

OUR PERFORMANCE

With great pleasure, I hereby announce that Cypark has been continuing its steady revenue growth and maintaining its profitability growth since 2012. These are attributable to the business process transformation that took place four years ago. The transformed business process has yielded promising results in the Environmental Engineering and Solutions and Renewable Energy business segments. For instance, the engineering, procurement, construction and commissioning ("EPCC") contracts of the three LSS2 projects and the commissioning of one of the LSS1 4MW solar plants which Cypark was the EPCC in Jelebu attributed to the commendable performance of the company.

In 2019, Cypark has demonstrated its capability to maintain the growth momentum even though 2019's general economic performance was disappointing. All Cypark's business segments, namely Renewable Energy ("RE"), Green Technology ("GreenTech"), Environmental Engineering and Solutions ("EE") and Construction Engineering have delivered a very respectable growth as compared to the same period of the year 2018.

The impressive results achieved in financial year ending 31 October 2019 ("FYE 2019") was mainly contributed from the completion of one of the LSS1 EPCC contracts and the ongoing LSS2's EPCC contracts. Both RE and EE were still the main contributors to the Cypark's revenue, comprising at least 85% of the Company's total revenue. On the other hands, GreenTech's performance was improving due to market growth and better cost management. Besides, the Construction Engineering segment has continuously been resilient and contributes positively to the company. Overall, our gross margin has improved to 36% in 2019 as compared to 32% in the same period of the year 2018. Also, despite the increased finance cost to almost 15%, our margin of the Profit Before Tax (PBT) still improved to 31% in 2019 as compared to last year's margin of 28%.

I also would like to take the opportunity to inform all the stakeholders that all three EPCC contracts that we secured under the LSS2, with a total value of RM675 million, are progressing well and on schedule. We expect to complete all three projects by the targeted Commercial Operation Date ("COD") of 31 December 2020.

Development of Cypark`s 100MWdc twin floating solar in Terip & Kelinchi, Negeri Sembilan.

CHAIRMAN'S STATEMENT

Our Solid Waste Modular Advanced Recovery and Treatment ("SMART") Waste-to-Energy ("WTE") plant is also near completion and currently in the testing stage. Based on the current progress, the SMART WTE project will be contributing positively to the group's revenue by 2021.

Incinerator & Boiler of The SMART WTE Plant in Ladang Tanah Merah, Negeri Sembilan.

Bag Filter & Fly Ash Silo of the SMART WTE Plant in Ladang Tanah Merah, Negeri Sembilan.

In FYE 2019, Cypark managed to complete the issuance of RM550 million SRI Sukuk Murabahah, which was a key milestone achievement for us. Being rated as AA3, the Sukuk has reduced our financing costs as it is better than the conventional borrowing rates for at least 100 basis points. We would anticipate more issuance of such instruments in the future as well as consider the options to restructure our existing borrowings for a more palatable rate to further reduce our financing costs and enhance the bottom line.

Successful issuance of RM550 million SRI Sukuk Murabahah under the SRI Sukuk Murabahah Programme.

Cypark has always been emphasising research and development ("R&D") as part of our efforts to stay ahead of the competition. We have been expanding our R&D team in 2019, and we will continue to do so. Our early investments in the floating solar and SMART WTE plant have made us the pioneer in these two areas in the region. We trust that our R&D in areas like battery storage, biomass and biofuel will further enhance our future market standing and hence, improve the bottom line of the company. For the financial year ending 31 October 2020 ("FYE 2020"), we shall expect continuous growth of revenue upon the completion of LSS2's EPCC contracts, the WTE plant at Ladang Tanah Merah and realisation of NEM target based on the MoUs signed in 2019 with the state governments of Kedah and Negeri Sembilan.

In line with the commitment of the government of Malaysia, especially the Ministry of Energy, Science, Technology, Environment and Climate Change ("MESTECC"), to the 2012 Paris Agreement and the RE target of 20% by 2025, they have to date allocated and awarded multiple tenders on RE projects, which amount for more than 2,000MW of energy, where 70% of it involved solar energy. Besides, the Ministry of Housing and Local Government has also set an ambitious goal of having one WTE plant in each state. This will further boost the demand for RE in Malaysia while providing a holistic solution to waste management.

We would also like to take the opportunity to applaud MESTECC's efforts in promoting energy market liberalisation as envisaged in MESI 2.0 such as launching and implementation of the Peer-to-Peer ("P2P") energy trading programme. We believe that this kind of programme will definitely improve the market efficiency, expand RE coverage and make RE a more affordable option to the end-users.

Cypark`s Biomass Solid Fuel is exported to key market such as Japan & Korea for its high demand.

CHAIRMAN'S STATEMENT

The pro-green and pro-growth policies and initiatives from the government of Malaysia have positively contributed to Cypark's commendable performance in FYE 2019, especially in the areas like Innovative Environmental Solutions and Sustainable and Affordable Green Energy Offerings.

> **"Doing all we can to combat climate change including shifting to renewable energy will bring us numerous benefits, such as reduction of pollution and the associated health care costs and strengthened and diversified economy."**
>
> *David Suzuki*

Compared to the traditional fossil fuel, clean and renewable energy has always been the choice to power up the world economies due to its environmental-friendly features. According to the International Renewable Energy Agency (IRENA) 2018 Renewable Capacity Statistics Report, RE showed an overall growth of 8.3% per annum and generated 2,197GW of energy worldwide. It was estimated that there was an increase of 64% in new RE system installation throughout the Asia region, which shows the enormous economic potential and job opportunities that RE could bring.

Development of Cypark`s 50MWdc ground mounted solar at Sik, Kedah that worth RM 225 million.

OUR PROSPECTS

We would expect that the growing significance of sustainable energy in Malaysia and globally will continue to increase our potential growth prospects in the future. Not to mention the latest MESI 2.0 from the government of Malaysia as it provides a more defined roadmap for green and renewable energy liberalisation and expansion in Malaysia. At the same time, there are more and more new tenders on renewable energy from Singapore, Brunei and Thailand, which we are keen to participate in.

For FYE 2020, the EPCC contracts of LSS2 and LSS3, 15 MWdc of LSS1, existing solar plants and NEM will continue as the contributors to the group's performance. We are also looking forward to participate in the coming WTE tenders that are expected to start in 2020 in Johor, Kedah and Melaka. We are confident to win at least one of these tenders due to our solid background in this sector. Besides, we would explore the opportunities in capitalising the SMART waste management systems located throughout Malaysia by providing our waste management solution to the local government to resolve the impending landfill closure issues and also reduce the environmental impact.

Being the only local company that won the recent LSS3 tender, we believe we will be in a strong position to bid in the future LSS tenders. We foresee the future LSS projects will have bigger capacities of more than 100MW and will focus more on non-commercial areas such as water bodies. This will benefit Cypark as we are the floating solar market leader in Malaysia and Southeast Asia.

Our biogas and biomass operation will also contribute strongly to our company's performance in FYE 2020 as we have received great biomass pallets demands from overseas. Hence, we foresee that the market, especially China, Japan and Korea, will continue to grow stronger due to increasing awareness in green and sustainable energy. We also anticipate that the government of Malaysia will allocate more budgets for biogas and biomass projects, which is currently less than 1% of the total energy generation in Malaysia. Based on our estimation, should all biogas and biomass resources in Malaysia such as Empty Fruit Bunches (EFB) and Palm Oil Mill Effluent (POME) being fully utilised, it can contribute to more than 10% of total future energy generation in Malaysia. Therefore, we expect to produce an additional 5MW to 10MW of biogas and biomass per year from 2020 if this comes to pass.

CHAIRMAN'S STATEMENT

In line with the continuous effort of the Ministry of Housing and Local Government in promoting greener waste management, including the establishment of WTE plant in each state and being the first and only WTE developer and operator in Malaysia, we are in great advantage to compete and win at least one of the coming tenders for WTE plants in Melaka, Kedah and Johor in 2020. For each WTE plant, the expected size is in the range of 20MW to 25MW with an expected investment value of around RM500 million, inclusive of a SMART plant.

Meanwhile, we continue to uphold the highest level of corporate governance and business ethics, which is parallel with the aspiration of New Malaysia. We are doing well in the competitive open tendering environment in Malaysia and regionally as our core strength has always been to offer the best cost-competitive solutions. We strongly believe that Green and Renewable Technology should be an economically viable and affordable option to the end-users.

Thanks to the efforts from MESTECC, the aspiration of having a sustainable, clean and cost-efficient energy has become a reality to the consumers in Malaysia. As the pioneering industry player, Cypark has been playing its role in supporting the realisation of such aspiration by offering innovative and out of the box solutions to the market. Being the only local company that succeed in securing three LSS2's EPCC contracts and won the recent LSS3 tender has proven the capabilities and strength of Cypark in the Malaysian RE market.

The demands on RE will continue to grow stronger year by year, and will one day exceed the growth of fossil-based energy. According to the International Energy Agency (IEA) 2019 report, solar and wind-based energy will made up 50% of new world energy. RE is expected to contribute up to 30% of all energy generation in 2040 from the 8.5% recorded in 2017. Solar energy growth has shown a 17.5% growth as compared to 2018. In Malaysia, with more upcoming LSS tenders that to be announced, solar energy is expected to grow by double digits until we meet the 20% by 2025 as targeted by the MESTECC.

With the government efforts in market liberalisation in accordance to the MESI 2.0, the year 2020 onwards will be a very exciting time for the energy sector, especially the RE industry. Initiatives such as P2P and Third-Party market access not only will improve the market efficiency, but also greatly beneficial to industry players like Cypark.

While Cypark continues to strengthen its market position in Malaysia through collaboration with existing stakeholders, we will also expand regionally through collaboration with new global partners as part of our sound risk management. At the same time, we are looking forward to adopting measures that will further unlock value for our shareholders such as monetising existing assets, industry consolidation, etc. The recent market development in the solar industry has further affirmed our beliefs that our RE assets have higher intrinsic value that can be realised for the benefits of our shareholders and to fund future growth. With all the enhancers that have been set forth, we are optimistic that our performance will be favourable for the FYE 2020.

> **"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 would like to express my heartfelt appreciation to Cypark's staff for their continuous endeavours and exemplary involvements throughout FYE 2019. Their profound contribution is crucial for the substantial progress of the company. On top of that, I would also like to convey my highest gratitude to the esteemed Senior Management team for their visionary leadership and excellent execution that paramount for the company's stability.

Similarly, we would like to acknowledge our shareholders for their unwavering trust as well as our bankers and business partners for their perpetual patronage and supports. Last but foremost, I would like to commend my fellow Board members for their counsels and keen participation in the Board Committees meetings in FYE 2019.

Let us together bring this Company to a greater height and embrace better prospects in FYE 2020.

Tan Sri Razali Ismail
CHAIRMAN

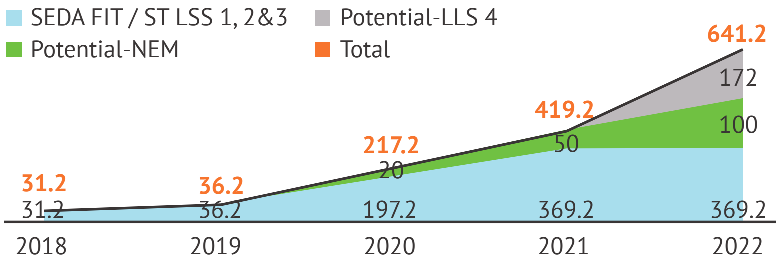
MANAGEMENT DISCUSSION AND ANALYSIS

COMPANY OVERVIEW AND STRATEGY

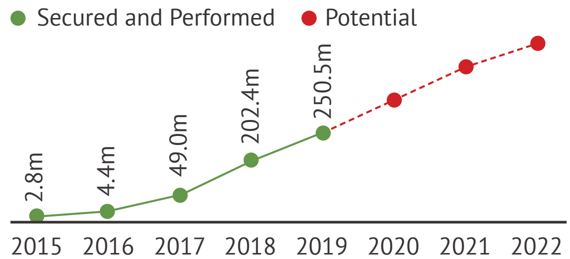
Cypark Resources Berhad is the leading environmental solution and renewable energy company in Malaysia that focuses on four main business segments: renewable energy ("RE"), green technology ("GreenTech"), environmental engineering and solutions ("EE") and construction engineering. Being the only local company awarded for the LSS3 tender, Cypark has become the true industry leader in Malaysia, both in terms of cost and product offerings.

Launching of Kedah Green and Renewable Energy Masterplan & Cypark`s Sik 50MW Solar Project by YAB Dato` Seri Utama Hj. Mukhriz Tun Mahathir, The Menteri Besar of Kedah at Royale Signature Hotel, Alor Setar

Solar Capacity MWdc (Secure/Own/Operate & Manage)



Annual EPCC Contracts Value



In financial year ending 31 October 2019 ("FYE 2019"), Cypark has again continued the trend of consistent revenue growth and profitability since 2012. This remarkable achievement can be attributed to accommodative government policies, expanding green technology offerings and conducive market dynamics. Through our strong research and development ("R&D"), flexible response to market challenges and highly competent human capital assets, Cypark managed to grow even stronger in 2019. For financial year ending 31 October 2020 ("FYE 2020"), we foresee the continuation of growth with the completion of the Large Scale Solar ("LSS") 2's turnkey contracts, Commercial Operational Date ("COD") of LSS1 plants which the EPCC were done by Cypark, commissioning of the Waste-to-Energy ("WTE") plant, the realisation of Net Energy Metering ("NEM") scheme and execution of some infrastructure contracts.

Cypark is currently the only local company that has won every LSS tenders since 2017. We are pioneering in fully integrated WTE and RE park and on our way to become Southeast Asia's largest floating solar developer. Our competitiveness is further proven in the overseas foray where we were top two bidders in the recent Singapore 50MW floating solar tender.

With the government of Malaysia's unwavering commitment towards the Paris Agreement and the implementation of the Malaysian Electricity Supply Industry ("MESI 2.0") to achieve 20% RE target by 2025 and energy market liberalisation, the growth of Malaysia's energy industry is expected. Besides, future LSS tenders will double due to ever-growing demands for green and sustainable energy and thus, enhance Cypark's growth prospects from the year 2020 onwards. The fact that the current LSS3 solar cost is lower than the average cost of gas-based energy generation encourages the government of Malaysia to further develop the solar sector. A similar trend in other Southeast Asia countries such as Thailand, Singapore and Vietnam has provided Cypark with additional opportunities to expand its market presence in the region.

The above-mentioned strategic dynamics enabled Cypark to register an improving financial performance, which reflected as higher revenues and profits. Nevertheless, the Group still continuing its efforts to shift from short and medium-term contract-based revenue to long-term, concession-generated income. This would further bolster the Group's business fundamentals and future prospects.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Group Highlights	2015	2016	2017	2018 (Restated)	2019
Turnover/Revenue	251,853,256	282,929,184	301,684,427	352,818,411	**376,739,190**
Profit Before Tax	50,871,947	60,079,665	69,589,814	100,393,056	**118,583,312**
EBITDA/Adjusted EBITDA	75,895,217	82,413,687	97,565,686	124,226,202	**143,564,085**
Finance Costs	13,064,182	11,809,458	11,795,017	10,503,822	**12,046,402**
Net Profit	43,515,979	51,713,230	57,602,659	81,752,604	**91,282,247**
Total Equity	393,530,834	440,320,772	507,233,636	658,806,117	**757,179,277**
Total Assets	892,335,633	1,093,087,884	1,316,705,331	1,528,466,187	**2,175,433,838**
Borrowings	318,432,852	443,071,008	567,670,558	609,087,565	**1,173,412,271**
Net Debt/Equity (%)	55%	75%	91%	79%	**86%**
Basic Earnings Per Share (sen) *	13.82	13.77	15.00	19.94	**19.82**
Net Asset Per Share *	1.06	1.16	1.30	1.46	**1.62**

* Figures from year 2015 to 2018 have been adjusted and presented for comparative purposes as a result of Bonus Issue in 2019

FINANCIAL PERFORMANCE

For FYE 2019, the Group recorded a commendable revenue of RM376.7 million as compared to RM352.8 million recorded in the financial year ending 31 October 2018 ("FYE 2018"), which represents an improvement of RM23.9 million or 6.8%. The increase in revenue was mainly contributed by the progression of the projects, which won by the Group in the prior year such as the turnkey projects of the LSS2, and also the adoption of the newly implemented Malaysian Financial Reporting Standard 15: Revenue from Contracts with Customers ("MFRS 15"). The comparative figures in FYE 2018 have also been adjusted based on the MFRS 15, thus the comparison is made in the equal ground.

The adjusted earnings before interest, taxes, depreciation and amortisation ("EBITDA") of the Group for the FYE 2019 showed a respectable growth of 15.6% or RM19.3 million to RM143.6 million as compared to RM124.2 million in FYE 2018. Following the increase in revenue and EBITDA, the profit after tax ("PAT") of the Group for the FYE 2019 also recorded a growth of 11.7% or RM9.5 million to RM91.3 million as compared to RM81.8 million recorded in FYE 2018.

The increase in EBITDA and PAT were mainly contributed by few factors, namely a higher margin from the continuous progress of LSS2 projects, better cost optimisation by the management and continuous saving in finance costs through the reduction in principal and more favourable financing rates in GreenTech and RE business segments.

YB Yeo Bee Yin, Minister of Energy, Science, Technology, Environment and Climate Change visited Cypark`s booth during International Greentech and Eco Products Exhibition and Conference Malaysia (IGEM) 2019 at Kuala Lumpur Convention Centre (KLCC).

MANAGEMENT DISCUSSION AND ANALYSIS

Assets and Liabilities

The Group's total asset in the FYE 2019 increased by 42.3% to RM2,175.4 million as compared to RM1,528.5 in the FYE 2018. The increase in total assets was mainly due to the following reasons:-

1) Increase in contract assets from the LSS2's turnkey projects, and

2) Increase in cash and bank balances from the disbursement of proceeds upon the issuance of the RM550.0 million Islamic Medium Term Notes (SRI Sukuk Murabahah) by the wholly-owned subsidiary of the Company, namely Cypark Ref Sdn Bhd on 11 October 2019.

For the FYE 2019, the total liabilities rose by RM548.6 million, that is, from RM869.7 million in FYE 2018 to RM1,418.3 in FYE 2019. The significant increase in the total liabilities was mainly due to the issuance of the RM550.0 million SRI Sukuk Murabahah by the wholly-owned subsidiary of the Company, namely Cypark Ref Sdn Bhd on 11 October 2019. The main objective of the SRI Sukuk Murabahah issuance is to fund the design, engineering, procurement, construction and commissioning, ownership, operation and maintenance of the three LSS2 projects. Besides, it also secures the future cash flow of the projects. The issued SRI Sukuk Murabahah has a tenure of up to twenty-two (22) years commencing from the date of the first issuance, where it will be backed by the projects' anticipated long-term concessionaire income for the next 21 years starting from 2021.

Courtesy visit by YB Puan Hajjah Zuraida Kamaruddin, Minister of Ministry of Housing and Local Government to the nation`s first SMART WTE Plant in Ladang Tanah Merah, Port Dickson, Negeri Sembilan.

Share Capital

During the FYE 2019, the share capital of the Company increased from RM374.6 million to RM400.8 million while the total number of issued and paid-up share capital increased from 299,812,372 ordinary shares to 467,441,453 ordinary shares. The increase in ordinary shares was due to the following:

1) Issuance of 152,669,181 new shares on the basis of 1 Bonus Share for every 2 existing shares held,
2) Issuance of 9,159,400 new shares at an issue price of RM1.42 per share pursuant to the Dividend Reinvestment Scheme (DRS) of RM13.0 million, and
3) Issuance of 5,526,000 and 274,500 new shares at an exercise price of RM2.12 and RM1.40 per share, respectively pursuant to the exercise of options under the existing Employees' Share Option Scheme (ESOS).

Dividend

During the FYE 2019, a single-tier dividend of 3.9 sen per share, which amounts to RM17,873,000, for 458,282,053 ordinary shares was paid on 28 June 2019. Also, on the same day, a total of 9,159,400 new shares were issued at an issue price of RM1.42 per share under the DRS and the remaining portion of RM4,866,652 was paid in cash.

The dividend payout in the FYE 2019 was consistent with the Group's dividend policy, that is, to distribute not less than 25% of its net profit to the shareholders provided that such payout would not be detrimental to the operating cash flow as well as business development plans.

	2014	2015	2016	2017	2018 (Restated)
Net Profit	39,942,249	43,515,979	51,713,230	57,602,659	81,752,604
Total Dividend Paid	10,066,428	12,433,564	13,265,432	14,831,246	17,873,000
Dividend Per Share (sen)	5.00	5.00	5.20	5.60	3.90
Dividend/Net Profit %	25	29	26	26	25*
Payment Date	19-Jun-15	14-Jun-16	22-Jun-17	28-Jun-18	28-Jun-19

* Calculated based on Net Profit figure before restatement

MANAGEMENT DISCUSSION AND ANALYSIS

Courtesy Visit by His Excellency, TYT Dato' Paduka Hj Alaihuddin Bin Pehin Orang Kaya Digadong Seri Lela Dato' Seri Utama Haji Awang Mohd Taha to Cypark Integrated Renewable Energy Park in Pajam, Negeri Sembilan

Installation of 169kWp solar panel system under the NEM SARE Solar Project at Excelsior International School, which is the first international school in Johor to install the solar photovoltaic system.

KNOWN TRENDS AND EVENTS

FYE 2019 has been a renaissance year for the RE industry.

The year started with the government enhancing the NEM framework and offerings to increase the attractiveness of the scheme as the take-up rate has been lacklustre ever since it was introduced back in 2017. With these new offerings, those who participated in the NEM scheme could enjoy better savings and the potential to export the excess energy to the grid. The improved NEM framework also offers solar leasing scheme and Supply Agreement Renewable Energy ("SARE") to the potential taker, which do away with the need for high initial capital outlay. Also, it provides an avenue for players like Cypark to sell energy directly to end-users. As at the end of 2019, approximately 102MW out of the 500MW total NEM quota has been registered and taken and it is expected to increase to 300MW by 2020.

Moreover, the MESTECC has opened the tender for the LSS3, which has an increased size from a maximum of 30MWac in LSS2 to a maximum of 100MWac in LSS3. This move lowered the overall bid price, where the top three bidders offered pricing that was lower than the generation cost of the gas-powered electricity. When the tender result was announced at the end of December 2019, Cypark won the tender together with another four international companies, which made Cypark the only local company that won all three LSS projects since 2017.

The MESTECC has also announced the MESI 2.0 framework during the International Greentech & Eco Products Exhibition & Conference Malaysia (IGEM) 2019 that focuses on four pillars, namely customers' experience, efficiency, green/sustainability and security. This framework, which is expected to be approved by the Cabinet in 2020, will further liberalise and benefits the RE market by allowing Peer-To-Peer ("P2P") energy transaction and Third-Party access to the grid. Cypark has participated in the trial run of the Third-Party Access program, which will be completed in 2020, to supply electricity from the farm in Pajam to a hotel in Sepang.

The Ministry of Housing and Local Government has been proactively promoting the adoption of efficient and sustainable waste management, where one of the efforts being the establishment of at least one WTE plant in every state in Malaysia. Currently, Cypark's WTE Plant, which is Malaysia's first-ever, is under testing and expected to be fully commissioned in 2020. This puts Cypark in a very strong position when new WTE tenders are coming up from the year 2020 onwards.

MANAGEMENT DISCUSSION AND ANALYSIS

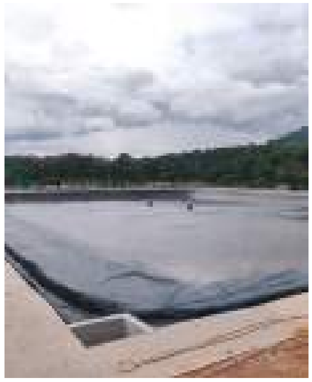
Additionally, the tender offering on RE is increasing in Southeast Asia countries such as Singapore, Thailand, Brunei, Cambodia and Vietnam. The interest towards RE especially solar seems to be growing and the tariff is going lower and lower each year. In Singapore, for instance, aside from the annual tender for the Housing and Development Board (HDB) solar, they are also offering their first 50MW floating solar tender. While in Thailand, there is a floating solar project of up to 2,500MW that last from 2019 to 2030 and a plan to expand the WTE project from the existing quota of 500MW to almost 1,000MW. Cypark has been actively participating in all the available new tender offers in 2019, which the results are soon to be announced.

The price hike of conventional energy source, which reached as high as USD70 per barrel for oil, has indirectly increased the public's interest in RE as a cheaper and greener alternative to oil and coal-based energy. On the other hand, the strengthening of Ringgit Malaysia (RM) against the USD, which to date showed almost 3% improvement, improves the offering margin of RE players in Malaysia for at least 50% as we are mostly using imported equipment.

Cypark`s LSS3 site in Merchang, Terengganu that worth RM435 million.

However, FYE 2019 also had its fair share of challenges. A few LSS2 tender winners were having difficulty in meeting their financial ends due to market liquidity and tight financing. In this kind of challenging environment, Cypark launched its RM550 million SRI Sukuk Murabahah with an average rate of 5.42%, which is 100 basis points lower than our other existing loans. Our Sukuk program has recently been named as Islamic Deal of the Year and Green Project of The Year for 2019. Besides, Cypark is currently reviewing its existing loan agreements to reduce its financing cost and have a better matching with the project tenure. The restructuring is expected to improve the future profitability for 3% to 5% and increase the cash flow to fund new projects.

We are pleased to report that the LSS2 projects, which we won in the previous FYE 2018, are progressing well and on track. Besides, our 50MWdc ground-mounted at Sik, 50MWdc floating solar at Empangan Terip and 50MWdc floating solar at Empangan Kelinchi are progressing according to schedule and will be completed by the COD in December 2020. Also, Cypark's first WTE plant in Ladang Tanah Merah with a 20MW power output capacity is already in cold testing stage and it is expected to complete by FYE 2020.



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

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

With the completion of both LSS2 projects and the WTE plant, Cypark will be managing and operating a combined capacity of 231MW, compared to its original capacity of 47MW, by end of FYE 2020. Cypark aims to achieve 1,000MW RE capacity, mainly solar energy by 2025.

Cypark as the Winner of Category 2- Renewable Energy (National Grid) for Grid Connected Floating Solar System on The Water Retention Dam, Negeri Sembilan in National Energy Awards 2019 at Majestic Hotel, Kuala Lumpur

MANAGEMENT DISCUSSION AND ANALYSIS

RECOGNISED FOR INDUSTRY EXCELLENCE AND INNOVATION

The Group is pleased to announce that our continuous efforts in FYE 2019 have been recognised and acknowledged by our industry peers as well as stakeholders and Cypark has been honoured with the following awards in 2019:

- National Energy Award 2019-Empangan Sepri Floating Solar Project
- PFI Asia Awards – Islamic Deal of the Year 2019
- Islamic Finance News (IFN) Deals of the Year Awards – Green Project of the Year 2019

BUSINESS RISKS

The Group remains vigilant to various business, financial and operational risks and hence, adopted strong measures to manage and mitigate the risks. The Group is responding to the risks by having triple defence line mechanism, robust internal controls and the development of a risk register that is periodically updated.

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

OUTLOOK & PROSPECTS

Based on the trend in 2019, we anticipated that there would be further energy market reformation and liberalisation in Malaysia, which assures positive growth of RE and Green Technology in Malaysia.

Moreover, after LSS3, we expect there will be at least three more LSS tenders coming up in order to meet the 20% generating capacity target or 6,000MW by 2025. Being the only local company that won the recent 100MW LSS3 project, having a good track record in bidding and securing LSS projects and successful completion and commencement of operations, we are confident to secure at least 20% of the future LSS contracts. With the MoU in place with Kedah and Negeri Sembilan state-linked companies, we will collaborate together to execute up to 150MW potential NEM projects in the next two years, where some will be under SARE while others will be direct EPCC. We are also in the midst of concluding similar arrangements in a few other states. Separately, Cypark also actively participated in several private NEM tenders from universities and government-linked companies, which we hope to secure up to 20% of the tenders submitted.

By having a WTE plant in Ladang Tanah Merah and being the pioneer of WTE in Malaysia, Cypark is in great advantage to win at least 20% of coming WTE plant tender offers in other states. Besides, Cypark is also in a strong position to win a few more SEDA tenders for Biomass and Biogas projects that expected to be announced soon.

With the proposed market liberalisation measures under MESI 2.0, Cypark is actively looking for opportunities to supply RE directly to end client via P2P and Third-Party Access initiatives. We have recently participated in the trial run of the Third-Party Access, and the results so far have been very encouraging. Once the proposal is approved by the Cabinet, Cypark would be able to increase its RE capacity for around 150MW in the next few years and further expand the client base.

In 2019, Cypark has actively participated in multiple tenders in ASEAN countries, especially the countries that participate in the Shared Energy programme such as Thailand, Vietnam and Singapore. Cypark's bidding performance has been encouraging and we anticipate that Cypark would be able to secure its first overseas RE project soon. However, given the differences in the 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 oversea tenders. We are considering to penetrate foreign markets by working with local partners who have a better understanding of the local playing field.

All in all, we foresee that FYE 2020 will be a comparable year to the present financial year in terms of growth. We will continue to allocate more resources in R&D to have a continuous flow of innovative and creative solutions to the EE, GreenTech and RE industry.

SUSTAINABILITY STATEMENT

Cypark is the largest EPCC for floating solar in Malaysia. Twin 100MWdc floating solar in Empangan Terip (top) and Empangan Kelinchi (bottom)

Sustainability is not merely a slogan or motto to Cypark Resources Berhad's but something that has been ingrained in the DNA of the corporate culture in the following key pillars:

MARKETPLACE **WORKPLACE** **ENVIRONMENT** **COMMUNITY**

The above-mentioned key pillars are the cornerstone of the company's business philosophy, operations, strategic initiatives and future planning.

SUSTAINABILITY STATEMENT

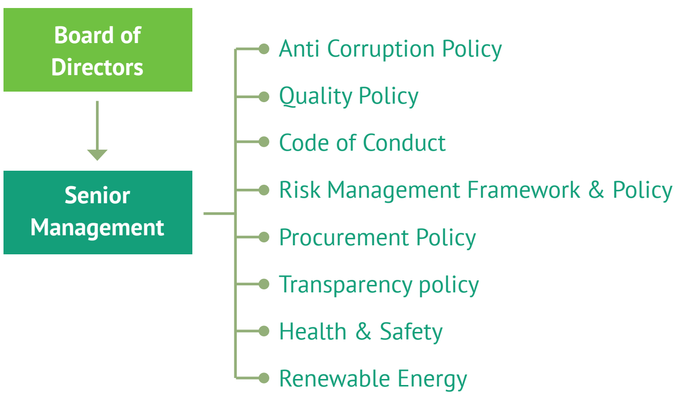
Sustainability, for the Group, is a concept that needs to be nurtured and practised congruently and in collaboration with all relevant stakeholders, communities and the surrounding environment. Only with a strong symbiotic relationship between the stakeholders, communities and the surrounding environment, Cypark can continue in producing products and services that are not only profitable but also economically and environmentally sustainable.

Throughout the past 15 years, we have always been adhering to the founding principles and beliefs, which have led us to the following achievements:

i) One of the selected few companies listed in Bursa Malaysia that is reducing greenhouse emission every year;
ii) The preferred employer that creates and offers equal opportunities for its employees; and
iii) The premier company in Malaysia that offers environmental solutions that is truly sustainable and affordable.

These achievements act as an impetus for the company to strive continuously to improve and the efforts will never cease to ensure our success and also benefit the communities and the environment.

SUSTAINABILITY GOVERNANCE



The initiation, drafting and overview of the Sustainable Policy are under the purview and guidance of the Board of Directors, which consists of distinguished persons that are highly experienced in multi-disciplined areas. Any initiatives, including the sustainability-related plans and strategies, from the Board of Directors, will be executed and supported by the Senior Management of the company. The Senior Management is also responsible in updating the Board on the effectiveness of sustainability-related programmes and initiatives undertaken throughout the year to ensure there is a successful integration for financial goals, business strategy and business model with the environmental and social sustainability considerations. This cohesive arrangement has been proven successful through the successful launching of the Company's RM550 million SRI Sukuk Murabahah, the ongoing installation of Asia's largest twin floating solar and the recent joint partnership foray for the Net Energy Metering (NEM) scheme with Kedah and Negeri Sembilan state-linked companies.

STAKEHOLDER ENGAGEMENT

Due to the nature of our business, our stakeholders are widely diverse as compared to other business organisation. As our business involves environmental-related activities, our stakeholders are not limited to authorities, clients, employees and shareholders but the communities as well, as our business activities have a direct impact on the communities and the nation as a whole.

Below are whom we identified as our pertinent stakeholders:

The Group has always been working closely with various stakeholders, which allows Cypark to fully comprehend and complement various expectations and requirements from the stakeholders and enables us to better manage matters pertaining to the sustainability and materiality and hence, directly improve our business operation and standing. Following is a snapshot of our stakeholders' engagement activities for FYE 2019.

SUSTAINABILITY STATEMENT

STAKEHOLDER	FYE 2019 Constructive Engagement	Desired Output
EMPLOYEES	• Continued Human Capital Advancement via continuos training and skills upgrade programs • Enhancing Espirit De Corps via team building and social activities such as team dinners and Bowling night • Celebrate Diversity via the celebration of festive events such as Hari Raya, Chinese New Year, Deepavali and Christmas	• Improves long term technical and soft skills abilities of the Cypark community • Strengthen the human capital sense of teamwork, camaraderie and improves long term work efficiency • Strengthen the Malaysian spirit of togetherness
INVESTORS/ SHAREHOLDERS	• Organised at least quarterly analyst briefing • Responding regularly to investors clarification and provide prompt feedbacks to investors • Rewarding the investors via the bonus issue and dividend declared • Participate in two (2) general investors conference in 2019 • Organising 14th Annual General Meeting (AGM)	• Being responsive and considerate of investors feedback and clarification • Improves the Investors' perception and understanding of Cypark existing and future business plan • Meeting or exceeding investors' targeted return
GOVERNMENT	• Regular town hall and briefing sessions with the relevant authorities on the subject of Renewable Energy (RE) and Sustainability • Organised official visits to existing and new RE plants for the Federal and Local government officials • Organised demonstration & briefing to local and Federal Government officials to new RE technologies such as Floating Solar • Involved in the preparation of Kedah and Negeri Sembilan RE Masterplan	• Contribute to the betterment of existing government policies and assist in the introduction of new policies • Builts strong long-term rapport with the Government in order to cultivate a conducive business environment for the RE industry
LOCAL COMMUNITIES/ NGOs	• Participated in a wide range of Corporate Social Responsibility (CSR) and social activities such as Raya Open House for the orphanage and contributions to the needy • Participated in several exhibitions on the importance of protecting the environment and sustainability	• Enhances the existing strong bond between the communities and Cypark • Contributes to the Government effort in educating the communities on the importance of Environmental Preservation and Sustainable Eco-system
MEDIA	• Regular press update on Cypark's achievement and activities • Constant engagement with mainstream media for clear outlines the Company`s direction and activities	To continue the existing excellent effort of media engagement in order to enhance further Cypark's branding.
INDUSTRY	Participation in key Industry based exhibition such as:- a) Launching of Kedah RE Masterplan 2019 b) IGEM 2019 c) National Energy Award 2019	Enhance further RE industry development in Malaysia by continued support of the Industry based activities

SUSTAINABILITY STATEMENT

MARKETPLACE

Throughout the years, Cypark has been working persistently to create a conducive marketplace that complements the overall needs and objective of each stakeholder. These efforts have been crafted and executed after the evaluation of the current key social and environmental issues. The desired outcome of the strategies is to achieve a win-win situation. Below we append the engagement strategies that we have consistently adopted:

Greenhouse Gas Reduction
- Development of RE parks that reduce GHG emissions

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

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

Innovation and Research & Development
- Management Direction, Portfolio Management & Idea-to-Launch Process

EMBRACING RENEWABLE ENERGY

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

RENEWABLE ENERGY TARGET

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

CYPARK RESOURCES BERHAD
231 MW
of renewable energy capacity by the year 2020

500 MW
of renewable energy by 2022

GREENHOUSE GAS REDUCTION

Cypark is one of the few listed companies on Bursa Malaysia that can claim to have an operation with zero carbon emission and reduced Greenhouse Gas (GHG) emission. To date, the Group's RE parks, which are in commercial operations, have successfully avoided the emission of 195,771.27 tonnes of carbon dioxide (C02) while generating 283,726.48 MWh renewable energy. This is in addition to the avoidance in other emissions including nitrogen oxide and sulphur dioxide. Reducing GHG emission has always been our continuous effort as part of our long-term sustainable business philosophy and our contribution to society.

Year	Total Renewable Energy Generation (GWh)	USEPA Annual Avoidance of Carbon Dioxide Equivalent (Tonnes)
Total to date	283.73	195,771.27

The GHG reduction process is not only implemented in the energy generation activities but also in terms of land use to reduce vegetation clearance as per our green construction philosophy.

Courtesy Visit by YB Puan Hajjah Zuraida Kamaruddin, Minister of Housing and Local Government to the nation`s first WTE Plant in Ladang Tanah Merah, Port Dickson, Negeri Sembilan.

RESPONSIBLE LAND USE

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

To date, the Group has successfully remediated and converted up to 200 acres of non-productive lands and water bodies into income-generating areas. Furthermore, in order to have better land resources allocation for different projects, Cypark continues to collaborate with various entities from both the public and private sectors. Our focus, however, remains on sourcing non-productive land or space where possible.

ASSIST INCOME GENERATION

With total capacity of 1.075MW, Agriculture Solar Photovoltaic (AIPV) located in Kuala Perlis is the first and the largest in Malaysia

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

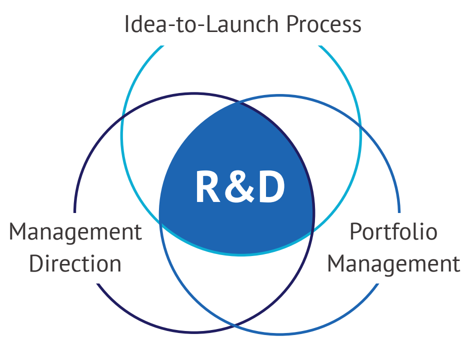
INNOVATION AND RESEARCH & DEVELOPMENT (R&D)

Innovation and R&D are the key components that enable the Group to stay ahead of local competitions and to be deemed on par with other internationally renowned RE companies. This is when we became the only local company that won the Large Scale Solar (LSS) 3 tender and the only company in South East Asia that is currently developing a 100 MWdc floating solar project.

Our dedicated R&D team is led by seasoned Malaysian RE researchers and approximately 2% of our revenue has always been allocated to fund the R&D. Our R&D team stands tall for having brought to Malaysia the ground-breaking, first-ever floating solar farm as well as WTE facility. Besides, we are also the first to introduce the innovated AIPV system to the world. Other notable achievements of our R&D include SMART Inverter applications, enhanced solar panels, the incorporation of the Internet of Things in the form of energy management software and data sensors to improve monitoring and maintenance.

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

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



SUSTAINABILITY STATEMENT

Our enthusiastic and highly knowledgeable R&D team has outlined long term strategic plans in anticipation of competition and rapid renewable energy & green energy technological advancement.

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

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

"BRINGING OUR IDEAS TO LIFE"

Idea-to-Launch Process

1 - Idea Generation
- Market discovery
- Technology discovery
- User needs analysis

2 - Concept Development
- Evaluation different scenario
- Create prototypes
- Gauge interest, liking, preference, purchase intent

3 - Business Case
- Business Plan
- Driven by objective & strategies

4 - Development
- Design & Specification
- Simulation
- Cost finalised financial model

5 - Testing & Validation
- System Setup
- Pilot run
- Monitoring & Product audit

6 - Deployment
- Complete design transfer
- Distribute launch product

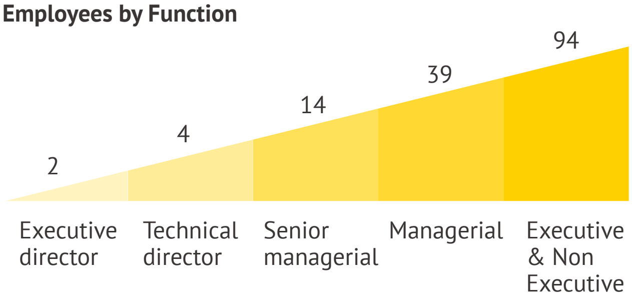
WORKPLACE

Human capital is Cypark's main assets. Hence, Cypark is committed to creating a dynamic and environmentally stimulating workplace that can attract, retain and develop new and existing talent and bring out the best in them.

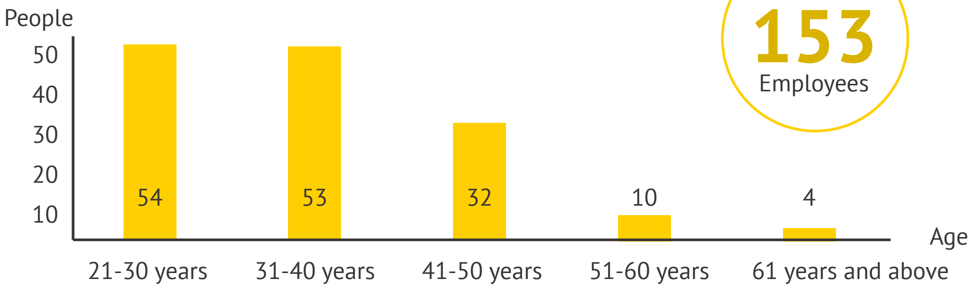
The Group prides itself for having a diverse, multi-cultural workforce consisting of highly skilled local industry professionals, whom we believe are on par with their overseas counterpart. Furthermore, gender equality has been well entrenched and practised in the company, and will be further strengthened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

Employees by Gender

Employees by Function



Employees by Age



TOTAL
153
Employees

STAFF RECRUITMENT

Our workforce continued to grow in FYE 2019 after offsetting the 22 attrited employees with 35 new hires.

Of the staff hired, 10 were women as we continue to provide women with equal employment opportunities in line with our values to be an equitable employer that recruits, retains and rewards staff based purely on merits and professional contribution and capabilities.

POTENTIAL DEVELOPMENT

Cypark believes that we need to develop, challenge and nurture our people for them to be motivated in delivering the Company's business goals. Cypark has been growing steadily and will continue to grow rapidly in 2020 especially with the government's new aspiration in RE. Henceforward, we want our people to also grow with us so that they are able to adapt to the advancement in technology and seize challenges.

In FYE 2019, we had over 164 of the workforce attended various training engagements pertaining to technical skills, compliance awareness, product knowledge, human resources, health, safety, security and environment, soft skills, leadership skills and finance.

The total training budget in FYE 2019 for both internal and external training courses was RM150,000 with the average spending on employees' training at RM498.18. The average training hours per staff stands at 1.32 hours.

HEALTH & SAFETY

As safety is the key element of our organisational culture, we continue to emphasise, maintain and provide a safe work environment for our workforce. We take pride in the strong track record that we have built at Cypark.

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

Moreover, the Group has launched various HSE campaigns through company communication channels as part of the on-going dissemination and propagation of 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.

ENVIRONMENT

CLIMATE CHANGE STATEMENT

Our core business existence has always been supporting and addressing the climate change issues, which is also the reason for our supports on the government of Malaysia's commitment towards the Paris Agreement 2012.

Cypark, being the RE and environmental engineering (EE) leader in Malaysia, all our activities are specifically designed to ensure little or no environmental degradation, either in the form of tree clearance or GHG emission. We are proud to say that we are one of the few listed companies on Bursa Malaysia that are actively contributing to the reduction of carbon and GHG emission.

Beyond this, we believe that climate change has increased the worldwide urgency and demands for RE. This augurs well for Cypark as it increases the demand for solar farms and WTE projects, which we have the capability to deliver both.

Cypark Total Renewable Energy Generation

283,726.48 MWh

Cypark`s Total Coal Fire Avoidance

34,851.55 tonnes

	Current year (2019)	Total to date
Total renewable energy generation (MWh)	62,092.66	283,726.48
USEPA annual avoidance of carbon dioxide equivalent (tonnes)	42,843.93	195,771.27
Coal fire avoidance (tonnes)	7,627.15	34,851.55
Value of coal import avoided	4,447,053.07	20,320,390.67

SUSTAINABILITY STATEMENT

CIRCULAR ECONOMY MODEL

Our Ladang Tanah Merah RE park is the best example of an active circular economy project in existence, where resources are optimised, recycled, preserved, kept in use for as long as possible and extracted for the maximum value while simultaneously allowing these to regenerate for future use. This is in contrast to the conventional approach of developing resources with little consideration for disposal, regeneration and reuse.

The Group has fully incorporated the principles of a circular economy in its current and future projects, which brings about its success in achieving the sustainability goals. This approach has also helped the community and the government of Malaysia in addressing key issues such as resource depletion, climate change and contamination of land and water. Furthermore, we have also signed an MoU with Petronas Chemical Berhad, a leading player in the chemical industry in Malaysia, to work together in applying this concept to plastic waste management in Malaysia.

Cypark at IGEM 2019. Cypark successfully signed Memorandum of Understanding (MoU) with Negeri Sembilan Corporation (NS Corp), Menteri Besar Kedah Incorporated (MBI Kedah) and Petronas Chemical Berhad.

COMMUNITY

While the Group's business operations are centred on the RE, GreenTech as well as EE, Cypark is of the view that the society and people are the essential part of its sustainability voyage. The Group believes that the environment and society are intrinsically linked and therefore, must be encompassed wholeheartedly as part of a more inclusive approach to sustainability.

Cypark`s Majlis Berbuka Puasa held at Royale Chulan Damansara on 24 May 2019.

SUSTAINABILITY STATEMENT

Cypark's Hari Raya Open House at TPC Kuala Lumpur on 29 June 2019

Education is a crucial factor in social and economic development. Therefore, Cypark has been sending our adept engineers to various institutions for knowledge sharing sessions on RE as a form of giving back to the people and local communities. The major highlight would be the various collaborations held with several tertiary educational institutions including the International Islamic University of Malaysia (IIUM), Taylors University, University of Malaya (UM), Universiti Kuala Lumpur (UniKL) and Politeknik Sultan Abdul Halim Mu'adzam Shah (POLIMAS).

Educational visit by Universiti Kuala Lumpur, Malaysian Institute of Chemical & Bioengineering Technology (UniKL MICET) at Cypark Integrated Renewable Energy Park in Pajam, Negeri Sembilan

Educational visit by Politeknik Sultan Abdul Halim Mu'adzam Shah (POLIMAS) at Cypark Agriculture Integrated Photovoltaic (AIPV) Plant in Kuala Perlis, Perlis

Last but not least, we also continue to foster our staff that CSR should be contemplated as a natural extension of our business model and footprint and should not be viewed entirely as a form of charity or societal outreach.

BOARD OF DIRECTORS' PROFILE

TAN SRI RAZALI BIN ISMAIL

Executive Chairman
Non-Independent Executive Director

Date of Appointment: **01 October 2006**

Nationality	Age	Gender
	81	Male

Number of Board Meetings Attended

5/5

Tan Sri Razali bin Ismail, a Malaysian, aged 81, 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 Universiti Sains Malaysia(USM), was the Chairman of the National Peace Volunteer Corp (Yayasan Salam), heads an NGO Project Board of Directors' Profile – Yayasan Chow Kit on street and displaced children; was on the Board of the Razak School of Government, and continues to promote the protection and replanting of mangroves. He was the Chairman of the Global Movement of Moderates Foundation. He was retired as the Chair of the Human Rights Commission (Suhakam) in April 2019, after serving the position for 3 years since 2016.

Tan Sri Razali has attended five (5) out of the five (5) Board of Directors' Meetings held during the financial year ended 31 October 2019. 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 2019.

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

BOARD OF DIRECTORS' PROFILE

DATO' DAUD BIN AHMAD

Group Chief Executive Officer
Non-Independent Executive Director

Date of Appointment: **01 October 2006**

Nationality	Age	Gender
Malaysian flag	54	♂ Male

Number of Board Meetings Attended

5/5

Dato' Daud bin Ahmad, a Malaysian, aged 54, 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 30 years of experience including in the fields of International Business, Oil & Gas, Waste Management, Renewable Energy and Environmental Management. Prior to his involvement in Cypark, he worked for KPMG, Motorola Malaysia Sdn Bhd, ESSO Production Malaysia Inc. and Ayer Molek Berhad.

Dato' Daud has attended five (5) out of the five (5) Board of Directors' Meetings held during the financial year ended 31 October 2019. 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 2019.

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

BOARD OF DIRECTORS' PROFILE

DATUK ABDUL MALEK BIN ABDUL AZIZ

Independent
Non-Executive Director

Date of Appointment: **19 September 2012**

Nationality	Age	Gender
	82	Male

Number of Board Meetings Attended

5/5

Datuk Abdul Malek bin Abdul Aziz, a Malaysian, aged 82 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 2019. 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 2019.

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

BOARD OF DIRECTORS' PROFILE

DATO' DR. FREEZAILAH BIN CHE YEOM

Independent
Non-Executive Director

Date of Appointment: **08 June 2010**

Nationality	Age	Gender
	80	Male

Number of Board Meetings Attended
5/5

Dato' Dr. Freezailah bin Che Yeom, a Malaysian, aged 80, was appointed to the Board on 8 June 2010. He was appointed by the Board as Chairman of the Audit Committee on 22 September 2010 and is also the Chairman of the Nomination Committee and Remuneration Committee.

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

Dato' Dr. Freezailah has attended five (5) out of the five (5) Board of Directors' Meetings held during the financial year ended 31 October 2019. 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 2019.

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

BOARD OF DIRECTORS' PROFILE

ENCIK MEGAT ABDUL MUNIR BIN MEGAT ABDULLAH RAFAIE

Independent
Non-Executive Director

Date of Appointment: **01 August 2012**

Nationality	Age	Gender
	50	Male

Number of Board Meetings Attended

5/5

Encik Megat Abdul Munir bin Megat Abdullah Rafaie, a Malaysian, aged 50, was appointed to the Board on 1 August 2012. He was appointed by the Board as a member of the Audit Committee, Nomination Committee and Risk Management Committee on 1 August 2012.

He is a founding partner of the legal firm Messrs. Zain Megat & Murad and leads the Kuala Lumpur branch as well as two of the firm's practice areas. These are namely Corporate Commercial and the Foundation Laws practice areas. He advises on foreign investments, mergers and acquisitions, listing and compliance requirements as well as queries from Bursa Malaysia Securities Berhad and 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 2019. 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 2019.

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

BOARD OF DIRECTORS' PROFILE

ENCIK HEADIR BIN MAHFIDZ

Independent
Non-Executive Director

Date of Appointment: **07 September 2010**

Nationality	Age	Gender
	54	Male

Number of Board Meetings Attended

5/5

Encik Headir bin Mahfidz, a Malaysian, aged 54, 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 graduated from the University of Tasmania, Australia with a Bachelor of Commerce degree in 1989. In 1992, he earned his qualification as a Certified Practising Accountant, certified by CPA Australia, where he was awarded the FCPA status in December 2018. He is also a Member of 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 2019. 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 2019.

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

KEY SENIOR MANAGEMENT'S PROFILE

DOREEN TAN SWEE LOON

Finance Director

Nationality	Age	Gender
Malaysian flag	57	♀ Female

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

Appointment to the current position:

- 1 October 2010

FAIZAL BIN YUSOF

Director of Engineering & Construction

Nationality	Age	Gender
Malaysian flag	41	♂ Male

Qualifications:

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

Working experiences:

- More than 21 years of working experience in the region of Asia and Middle East, comprising energy, construction and engineering i.e. high rise, hospital, highway, university, infrastructure, property development, asset facilities management, operation and maintenance.
- Held various key positions in reputable projects as Head of Country, General Manager, Project Director and Head of Project Management Office (PMO).
- Last position held prior to joining the Group in 2016 was Head of Country of UAE office and General Manager at Zelan Group of Companies.

Appointment to the current position:

- 7 October 2016

KEY SENIOR MANAGEMENT'S PROFILE

MOHD HILMY BIN ABDULLAH ZAWAWI

Senior Manager (Renewables & Green Tech)

Nationality	Age	Gender
Malaysian	35	Male

Qualifications:

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

Working experiences:

- More than 11 years of working experience in the areas of engineering design, quality assurance and control, construction and project management, operation & maintenance and research & development.
- Successful 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

WAN MARINI BT WAN SALLEH

Accounting Manager

Nationality	Age	Gender
Malaysian	41	Female

Qualifications:

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

Working experiences:

- More than 19 years of experience in the areas of accounting and finance.
- Has worked in various private companies in industries, ranging from oil and gas, commodity trading and hospitality prior to joining the Group in 2015.

Appointment to the current position:

- 1 July 2015

Additional notes on key senior management

None of the key senior management has any:-

1. Directorship in public companies and listed issuers;
2. Family relationship with any director or/and major shareholder of 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 2019, 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 2019 ("**FYE 2019**") published on the Company's website at http://www.crbenv.com.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

Intended Outcome 1.0
- **Every company is headed by a Board, which assumes responsibility for the Company's leadership and is collectively responsible for meeting the objectives and goals of the Company.**

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

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

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 2019, the Company Secretaries had discharged their duties and responsibilities accordingly, and had and will continue to constantly keep themselves abreast on matters concerning company law, the capital market, CG, and other pertinent matters, and with changes in the regulatory environment through continuous training and industry updates.

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

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

Intended Outcome 2.0
- **There is demarcation of responsibilities between the Board, Board Committees and Management.**
- **There is clarity in the authority of the Board, its Committees and individual Directors.**

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

The Board Charter as well as the TORs of the Board Committees were recently reviewed during the FYE 2019 to ensure they remain relevant and consistent with the Board's objectives and the current regulations. The Board Charter also includes an outline on what is expected of Directors in terms of their commitment, roles and responsibilities as Board Members. The updated versions of the same are published on the Company's website at http://www.crbenv.com.

The Board has identified Dato' Dr. Freezailah bin Che Yeom to be the Senior Independent Director, who acts as –
- a sounding board for the Executive Chairman;
- an intermediary for other Directors where necessary; and
- the point of contact for shareholders and other stakeholders.

Activities of the NC

During the FYE 2019, 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;

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(viii) recommended the re-election of the directors who are to retire by rotation at the Fourteenth Annual General Meeting ("**AGM**"); and
(ix) reviewed the meeting attendance of the Board and Board Committees.

During the FYE 2019, 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.

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 2019.

The attendance of Directors during the FYE 2019 is set out below:-

Directors	Directorship	Board	AC	RMC	NC	RC
Tan Sri Razali bin Ismail	Executive Chairman	5/5	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.

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 2019, the Directors have attended at least one (1) training programme. The training programme and seminar attended by the Directors during the FYE 2019 were as follows:

Conference/Seminar/Forum/Discussion/ Workshop/Training	Organisor/Venue	Date
CIMB 11th Annual Malaysia Corporate Day	CIMB/Mandarin Oriental Kuala Lumpur	3 & 4 January 2019
Advocacy Training Course	Kota Kinabalu, Sabah	26 & 27 January 2019
Launching of National Anti-Corruption Plan by Prime Minister	Governance, Integrity & Anti-Corruption Centre/Putrajaya International Convention Centre	29 January 2019
Ambassador Lecture Series (ALES) 2019 : The EU & ASEAN – Faced with the Choice of Democracy or Populism by H.E. Frederick Laplanche (Ambassador of France to Malaysia)	Asia-Europe Institute (AEI) University Malaya (UM)/AEI UM	30 January 2019

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Conference/Seminar/Forum/Discussion/ Workshop/Training	Organisor/Venue	Date
Stand with Yemen Symposium & Photo Exhibition	International Institute of Islamic Thought and Civilisation (ISTAC)/ISTAC	23 February 2019
PJH Talk entitled "CIPAA and You!"	Putrajaya Holdings Sdn Bhd	26 February 2019
Public Consultation with Orang Asli Community & Experts	SUHAKAM	1 March 2019
MIDF Green Conference 2019	MIDF/InterContinental Hotel Kuala Lumpur	21 March 2019
Judicial Colloquium : Applying International Human Right Principles/Norms in the Judicial Process	SUHAKAM & United Nations/Sheraton Hotel	23 March 2019
Advocacy Training Course	Melaka	23 & 24 March 2019
Focus Group Discussion : Bioenergy for Implementation of Renewable Energy Transition Roadmap (RETR) 2035	SEDA/The Everly Hotel Putrajaya	26 March 2019
CEO Forum 2019 - Accelerating the Fourth Industrial Revolution in Malaysia	Perdana Leadership Foundation/Berjaya Times Square Hotel Kuala Lumpur	4 April 2019
Module 1 of Certified Professional Shariah Auditor (CPSA) Programme: Fundamental of Shariah for Islamic Finance	Islamic Banking and Finance Institute Malaysia (IBFIM)/AMCAF Seminar Room, Bangi Gateway	9 to 11 April 2019
Case Study Workshop for Independent Directors	Securities Commission Malaysia/ Conference Hall 2	18 April 2019
Module 2 of CPSA Programme: Accounting and Reporting for Islamic Financial Transactions	Islamic Banking and Finance Institute Malaysia (IBFIM)/AMCAF Seminar Room, Bangi Gateway	24 & 25 April 2019
Module 4 of CPSA Programme: Shariah Risk Management and Internal Control	Islamic Banking and Finance Institute Malaysia (IBFIM)/AMCAF Seminar Room, Bangi Gateway	12 & 13 June 2019
Focus Group Discussion : Solar	SEDA/The Everly Hotel Putrajaya	13 June 2019
Public Lecture : Hungary and The Central European Countries – Perspective & Challenges by Dr. Balazs Orban (Deputy Minister of The Hungarian Prime Minister's Office)	AEI UM/Kong Zi Institute University Malaya	20 June 2019
National High-Level Dialogue (NHLD) on Business & Human Rights : Towards A Malaysian National Action Plan (NAP) On Business & Human Rights	Legal Affairs Division, Prime Minister's Office/Putrajaya	24 June 2019
33rd Asia Pacific Roundtable Keynote Address : New Malaysia In A Changing Regional Order	Institute of Strategic and International Studies (ISIS) Malaysia & ASEAN-ISIS/ Hilton Kuala Lumpur	25 June 2019
Module 5 of CPSA Programme: Shariah Audit Planning and Programme	Islamic Banking and Finance Institute Malaysia (IBFIM)/AMCAF Seminar Room, Bangi Gateway	25 June 2019
Enhanced Auditors Report	AMCAF/AMCAF Seminar Room, Bangi Gateway	26 June 2019
RHB Investor Conference: Industry Reform in Malaysia	RHB/Double Tree by Hilton Kuala Lumpur	4 July 2019

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Conference/Seminar/Forum/Discussion/ Workshop/Training	Organisor/Venue	Date
Guest Speaker for Launching of Power Credit Specialist Team by Maybank	Maybank/Menara Maybank Kuala Lumpur	11 July 2019
Tunku Kurshiah Model United Nations (TKMUN) Conference 2019 : Women Empowerment Developing Youth Mentality in Leadership	Kolej Tunku Kurshiah/Negeri Sembilan	16 July 2019
Module 6 of CPSA Programme: Shariah Audit Fieldwork and Communication	Islamic Banking and Finance Institute Malaysia (IBFIM)/AMCAF Seminar Room, Bangi Gateway	23 July 2019
National Tax Conference 2019	LHDN Malaysia & Chartered Tax Institute of Malaysia/Kuala Lumpur Convention Centre	5 & 6 August 2019
Advocacy Training Course	Kota Bharu, Kelantan	23 & 24 August 2019
Introduction of Malaysia Public Sector Accounting Standard (MPSAS)	AMCAF/AMCAF Seminar Room, Bangi Gateway	27 & 28 August 2019
6th International Conference On History And Culture	ISTAC & Persatuan Sejarah Malaysia/ ISTAC	3 September 2019
CPA Congress 2019	CPA Australia/Sheraton Petaling Jaya Hotel	24 September 2019
Malaysian Timber Certification Council (MTCC) 20th Anniversary Conference	MTCC/Sunway Putra Hotel, Kuala Lumpur	24 September 2019
Kursus Asas Kaedah Pengurusan Harta Keluarga Islam	Institut Kefahaman Islam Malaysia (IKIM)/ Dewan Besar IKIM	14 & 15 October 2019
60th Anniversary of Faculty of Arts and Social Sciences University Malaya; Sharing Session on How An Education in the Humanities Helped in Work with The Ministry of Foreign Affairs, SUHAKAM and The United Nations	Faculty of Arts and Social Sciences University Malaya	22 October 2019
MIA Conference 2019	Malaysian Institute of Accountants (MIA)/ Kuala Lumpur Convention Centre	22 & 23 October 2019
All-Energy Australia (Australia's Largest and Most Comprehensive Clean and Renewable Energy Event)	Clean Energy Council Australia/Melbourne Convention & Exhibition Centre, Australia	23 & 24 October 2019
Knowledge Sharing Session on Litigation, Arbitration & Adjudication	Sime Darby Property	31 October 2019
Forest Department Sarawak's 100th Year Anniversary - Dato' Dr. Freezailah Bin Che Yeom was awarded as The Sarawak Forestry Figure Award	Forest Department Sarawak/Hilton Hotel Kuching	20 November 2019
The Future Energy Show Thailand 2019	Terrapinn Pte. Ltd./IMPACT Convention Centre, Bangkok, Thailand	27 & 28 November 2019

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Intended Outcome 3.0
- **The Board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.**
- **The Board, Management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the Company.**

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

The said Codes are available on the Company's website at http://www.crbenv.com.

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

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

II. BOARD COMPOSITION

Intended Outcome 4.0
- **Board decisions are made objectively in the best interests of the Company taking into account diverse perspectives and insights.**

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

4.2 The NC had assessed the performance and independence of Dato' Dr. Freezailah Bin Che Yeom and Encik Headir Bin Mahfidz, who will reach more than nine (9) years tenure on 8 June 2020 and 7 September 2020 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 not 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 recognises the benefits of having a diverse Board in order to offer greater depth and breadth to Board discussions and constructive debates at senior management level.

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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

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

Intended Outcome 5.0
- **Stakeholders are able to form an opinion on the overall effectiveness of the Board and individual Directors.**

5.1 During the FYE 2019, 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 during the FYE 2019, the NC and the Board were satisfied with the performance of each Director, the Board as a whole, and the Board Committees.

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.**

CORPORATE GOVERNANCE OVERVIEW STATEMENT

7.1 The breakdown of the remuneration of each individual Director for the FYE 2019 for the Group/Company 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	-	2,653,200	318,384	593
Dato' Daud Bin Ahmad	-	2,164,800	259,776	828
Total	**-**	**4,818,000**	**578,160**	**1,421**
Non-Executive Directors				
Dato' Dr. Freezailah Bin Che Yeom	216,000	-	-	-
Datuk Abdul Malek Bin Abdul Aziz	144,000	-	-	-
Encik Megat Abdul Munir Bin Megat Abdullah Rafaie	172,800	-	-	-
Encik Headir Bin Mahfidz	189,600	-	-	-
Total	**722,400**	**-**	**-**	**-**

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

	RM
Short term employee benefit	2,035,604
Defined contribution plan	243,433
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.

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

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

8.3 During the FYE 2019, the AC completed the assessments adopted by the Company. The AC was of the view that Messrs. Mazars PLT is suitable, objective and independent to be re-appointed based on the following justifications. The Board had in turn, recommended the same for shareholders' approval at the 2019 AGM of the Company.

8.4 The AC comprises solely Independent Directors.

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

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

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

Intended Outcome 9.0

- **Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.**
- **The Board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the Company's objectives is mitigated and managed.**

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

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

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

Intended Outcome 10.0

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

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

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

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

During the FYE 2019, 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

10.2 The outsourced internal audit function is headed by Mr. Amos Law, who is a Certified Internal Auditor (CIA), Chartered Institute of Internal Auditors (CMIA) and Certification in Risk Management Assurance (CRMA). A total of six (6) personnel are deployed by Crowe Governance Sdn. Bhd. for the internal audit works during the FYE 2019.

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 seek and clarify any issues pertaining to the Company.

(d) Corporate website

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

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

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

12.2 All the Directors of the Company attended the Fourteenth AGM of the Company held on 9 April 2019. In compliance with the MCCG, all the Directors of the Company will endeavour to attend all future general meetings and the Chair of the AC, RMC, NC and RC will provide meaningful response to questions addressed to them.

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

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:-

- 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 16 January 2020.

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 2019 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 2019.

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 2019, 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 2019, 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 2018 prior to recommending the same for the Board's approval, taking into consideration also:-

    i. changes in or implementation of any major accounting policies and practices;
    ii. significant matters highlighted including financial reporting issues, significant judgements made by management, significant and unusual events or transactions, and how these matters are addressed;
    iii. compliance with accounting standards, and regulatory, governance and other legal requirements; and
    iv. major issues the external auditors raised, the going concern assumptions, issues, problems and reservations arising from the interim and final external audits;

THE AUDIT COMMITTEE REPORT

Summary of Work of the Audit Committee (cont'd)

During the financial year ended 31 October 2019, the Audit Committee has carried out the following work in accordance with its terms of reference to meet its responsibilities (cont'd):-

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

f. reviewed the external audit reports and assessed the auditor's findings and management's responses thereto in respect of the audit for the financial year ended 31 October 2018;

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 2019, 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 2019;

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 14th 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 2018 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 2019;

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

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

THE AUDIT COMMITTEE REPORT

Summary of Work of the Internal Audit Function

The Audit Committee had put emphasis on the importance of having an internal audit function within the Group and had outsourced its internal audit function to a professional service firm to assist the Board and the Audit Committee in providing independent assessment of the adequacy, efficiency and effectiveness of the Group's internal control systems. The costs incurred for maintaining the outsourced internal audit function for the financial year ended 31 October 2019 amounted to RM44,306.

A summary of the work of the internal audit function for the financial year ended 31 October 2019 is as follows:-

a. conducted an internal control review on the Landfill Operation at Ladang Tanah Merah, Port Dickson, specifically in the following areas, focusing on:-

    - Landfill Operation & Maintenance
    - Human Resources Management at Landfill Site
    - Health, Safety & Environment

b. conducted an internal control review on Project Management cycle for the Solid Waste Modular Advanced Recovery and Treatment Systems Waste Management Solutions;

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 2019 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;

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;

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Risk Management Framework and Key Features of Internal Control System (cont'd)

The key elements of the Group's internal control system include (cont'd):-

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

During the financial year ended 31 October 2019, the internal audit function has conducted two (2) reviews on the business processes in accordance with the risk-based internal audit plan approved by the Audit Committee. The results of the internal audit review and where applicable, recommendations for improvement were presented at the scheduled Audit Committee meetings. The internal audit function has also performed follow-up audits to ensure that the appropriate corrective actions have been undertaken to address the control gaps highlighted. Based on the internal audit reviews conducted, none of the gaps noted have, in all material aspect, raises any material losses, contingencies or uncertainties that would require separate disclosure in this Annual Report.

Review of the Statement by External Auditors

As required by Paragraph 15.23 of MMLR of Bursa Securities, the external auditors have reviewed this statement for inclusion in the Annual Report of the Company for the financial year ended 31 October 2019 and have reported to the Board that nothing has come to their attention that cause them to believe that this Statement is inconsistent with their understanding of the process that the Board has adopted in the review of the adequacy and integrity of the systems of internal control of the Group.

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Board Assessment

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

The Board confirms that the risk management process in identifying, evaluating and managing significant risks faced by the Company has been in place throughout the financial year ended 31 October 2019 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 16 January 2020.

ADDITIONAL COMPLIANCE INFORMATION

Audit and Non-Audit Fees

For the financial year ended 31 October 2019, 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	73,000	273,600
Non-audit fees	5,300	48,300

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 2019 or entered into since the end of the previous financial year ended 31 October 2018.

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 25 of the Financial Statements of this Annual Report and also as disclosed in the Circular/Statement to Shareholders dated 28 February 2020. 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 2019 (RM)	Actual value transacted from the date of the last AGM on 9 April 2019 to LPD (RM)	Estimated aggregate value of the RRPT for the Proposed Shareholders' Mandate from 9 April 2020 (date of Fifteenth 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	9,520,130	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 2019 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 2018	14,491,000
Adjustment on number of options due to Bonus Issue on 20 December 2018	4,482,500
Total number of options exercised during the year	(5,800,500)
Total options or shares outstanding as at 31 October 2019	13,173,000

Granted to Directors including Group Chief Executive Officer	**2017 Options**
Aggregate options or shares outstanding as at 1 November 2018	10,150,000
Adjustment on number of options due to Bonus Issue on 20 December 2018	3,400,000
Aggregate options exercised during the year	(3,350,000)
Aggregate options or shares outstanding as at 31 October 2019	10,200,000

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 2019. 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 01.11.2018**	**Granted/ (Exercised)**	**Adjustment due to Bonus Issue on 20.12.2018**	**Balance as at 31.10.2019**
1. Dato' Dr. Freezailah Bin Che Yeom	150,000	-	75,000	225,000
2. Datuk Abdul Malek Bin Abdul Aziz	-	-	-	-
3. Headir Bin Mahfidz	150,000	-	75,000	225,000
4. Megat Abdul Munir Bin Megat Abdullah Rafaie	150,000	-	75,000	225,000

Utilisation of Proceeds

During the financial year ended 31 October 2019, Cypark Ref Sdn. Bhd., a wholly-owned subsidiary of the Company has on 11 October 2019 issued RM550.0 million of Islamic Medium Term Notes under the Islamic Medium Term Notes Programme of up to RM550.0 Million in nominal value based on the Shariah Principle of Murabahah via Tawarruq Arrangement ("**SRI Sukuk Murabahah**") under the Securities Commission Malaysia's Sustainable and Responsible Investment Sukuk Framework.

The proceeds raised from the issuance of SRI Sukuk Murabahah are being utilised to part finance the cost and expenses associated with the design, engineering, procurement, construction and commissioning, ownership, operation and maintenance of 3 x 30MWAC solar photovoltaic power plant projects and to finance the profit payments or any expenses incurred in relation to the SRI Sukuk Murabahah.

The proceeds raised from corporate proposal in prior years have been fully utilised for the Group's working capital and other corporate purposes, as intended.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

For the Year Ended 31 October 2019

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 2019.

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 RM	Company RM
Profit for the year attributable to:		
Owners of the Company	91,283,704	16,287,002
Non-controlling interest	(1,457)	-
Profit for the year	91,282,247	16,287,002

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 2019.

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 3.9 sen per CRB Share on 458,282,053 CRB Shares amounting to RM17,873,000 in respect of the financial year ended 31 October 2018. A total of 9,159,400 CRB Shares were issued on 28 June 2019 at an issue price of RM1.42 per share under the DRS and the remaining portion of RM4,866,652 was paid in cash on 28 June 2019.

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

DIRECTORS' REPORT
For the Year Ended 31 October 2019

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company increased its total number of issued and paid-up share capital from 299,812,372 ordinary shares to 467,441,453 ordinary shares by way of:

(a) Issuance of 9,159,400 CRB Shares at an issue price of RM1.42 per share pursuant to the DRS; and

(b) Issuance of 5,526,000 CRB Shares at an exercise price of RM2.12 per share pursuant to the exercise of options under the Employees' Share Option Scheme ("**ESOS**"); and

(c) Issuance of 274,500 CRB Shares at an exercise price of RM1.40 per share pursuant to the exercise of options under the Employees' Share Option Scheme ("**ESOS**"); and

(d) Issuance of 152,669,181 CRB Shares on the basis of 1 bonus share for every 2 existing CRB Shares held.

The new CRB Shares 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 1.11.2018	**Adjustments**	**Granted**	**Exercised**	**Forfeited**	**At 31.10.2019**	**Expiry date**
ESOS	14,491,000	4,482,500	-	(5,800,500)	-	13,173,000	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 15 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 2019

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 during the financial year to the date of this report are listed below (excluding directors who are also directors of the Company):

Datuk Abdul Talib Md Zin
Mahadzir bin Hashim
Dato' Ahmad Pharmy bin Abd Rahman
Rahimi Bin Razali @ Ghazali
Haji Darus @ Idrus bin Omar
Abdul Khalil bin Wahab
Kyuji Takahashi
Datuk Rozimi bin Remeli (Resigned on 30.9.2019)
Hirofumi Takahashi (Resigned on 19.3.2019)
Setsuo Yamamoto (Appointed on 19.3.2019)

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:

	Number of ordinary shares				
The Company	**At 1.11.2018**	**Bonus issue**	**Bought**	**Sold**	**At 31.10.2019**
Direct interest					
Tan Sri Razali bin Ismail	38,333,580	19,666,790	2,441,800	(6,500,000)	53,942,170
Dato' Daud bin Ahmad	44,905,256	23,627,628	4,269,100	(1,000,000)	71,801,984
Dato' Dr. Freezailah bin Che Yeom	188,800	94,400	7,700	-	290,900
Headir bin Mahfidz	104,900	52,450	4,300	-	161,650
Megat Abdul Munir bin Megat Abdullah Rafaie	20,000	10,000	800	-	30,800
Datuk Abdul Malek bin Abdul Aziz	159,800	79,900	2,700	(100,000)	142,400

DIRECTORS' REPORT
For the Year Ended 31 October 2019

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 1.11.18	Exercised	Bonus issue	At 31.10.19
Tan Sri Razali bin Ismail	3,000,000	(1,000,000)	1,000,000	3,000,000
Dato' Daud bin Ahmad	6,700,000	(2,350,000)	2,175,000	6,525,000
Dato' Dr. Freezailah bin Che Yeom	150,000	-	75,000	225,000
Headir bin Mahfidz	150,000	-	75,000	225,000
Megat Abdul Munir bin Megat Abdullah Rafaie	150,000	-	75,000	225,000

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.

Other benefits and remuneration of the directors are set out in Note 22 to the financial statements.

INDEMNITY AND INSURANCE COST

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

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

DIRECTORS' REPORT
For the Year Ended 31 October 2019

(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 33 to the financial statements.

DIRECTORS' REPORT
For the Year Ended 31 October 2019

AUDITORS

Auditors' remuneration is set out in Note 21 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: 16 January 2020

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 2019 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 77 to 152.

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 2019, 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 (concession asset)

Refer to *Significant Accounting Judgements and Estimates* in note 3 and *Intangible Assets* in note 5 to the financial statements.

The risk:

As at 31 October 2019, the Group has an intangible asset of RM848 million relating to a concession to undertake the design, construction, maintenance, operation and management of Solid Waste Modular Advanced Recovery and Treatment System. The intangible asset is recognised pursuant to IC Interpretation 12 *Service Concession Arrangements*.

Management tested for impairment of the intangible asset which was under construction as at 31 October 2019 in accordance with the Group's accounting policy. In determining whether the intangible asset is impaired, management estimates the recoverable amount. Determining the recoverable amount requires management to estimate the future cash flows to be generated; and to determine a suitable discount rate in order to calculate the present value of those cash flows. The bases and assumptions used in the calculation of recoverable amount involve a significant degree of management judgement. Due to the significance of the intangible asset; and the involvement of management judgement and estimation in the impairment testing, this is considered a key audit matter.

Our response:

Our audit procedures included, among others, the understanding of the Group's process in testing impairment of the intangible asset. We tested and challenged the key assumptions and variables used by management in the Group's recoverable amount computation. We assessed the basis and reasonableness of cash flow projections, including a retrospective review of past cash flows projections. With the support of our internal specialist, we assessed the appropriateness of discount rate used by management in the computation of the recoverable amount, taking into consideration of internal and external data. We assessed the impairment of the intangible asset by comparing the recoverable amount (i.e. discounted cash flows) to its carrying amount. We also assessed the sensitivity of key inputs to the impairment testing model, to evaluate the corresponding effect on the recoverable amount due to possible changes in the key assumptions.

(b) Recoverability of contract assets and trade receivables

Refer to *Significant Accounting Judgements and Estimates* in note 3; and *Contract Assets* and *Trade and Other Receivables* in notes 10 and 9 respectively to the financial statements.

The risk:

As at 31 October 2019, the Group and the Company have contracts assets and trade receivables relating to contracts with customers, as follows:

- contract assets of RM539 million and RM80 million respectively; and
- trade receivables of RM25 million and RM10 million respectively.

Management assessed the expected credit loss of contract assets and trade receivables as at 31 October 2019 in accordance with the Group's accounting policy. The Group and the Company adopted simplified approach (i.e. lifetime expected credit loss) in measuring the loss allowance, if any, for contract assets and trade receivables. The expected credit loss is estimated by reference to past default experience in respect of the customers, industry practice relating to the billing and collection of contract sums, and an analysis of the customers' current financial position adjusted for factors that are specific to the customers; and an assessment of both current conditions as at the reporting date as well as future conditions (including general economic conditions of the industry). Estimating the expected credit loss requires management to estimate the future conditions of the customers. Management's conclusion on the expected credit loss is judgemental as it involves collective assessment on past, present and future conditions of the customers. Due to the significance of the contract assets and trade receivables of the Group and of the Company; and the involvement of management judgement and estimation in assessing the expected credit loss, these are considered key audit matters.

Our response:

Our audit procedures included, among others, the understanding of the Group's process in assessing the recoverability of contract assets and trade receivables. We assessed and challenged the key bases and assumptions used by management in the estimation of expected credit loss. In assessing the reasonableness of management's conclusion on the expected credit loss, we considered both internal and external information, including but not limited to: contractual arrangement with the customers, historical default rate, historical payment trend, industry practice, communication with customers, current status of the customers and future economic indicators that are relevant to the customers. We reviewed the billing of contract assets as well as collection of trade receivables subsequent to the end of the financial period. We also reviewed the disclosure of credit risk in the financial statements.

INDEPENDENT AUDITORS' REPORT

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

(c) Revenue recognition – construction and engineering contracts

Refer to *Significant Accounting Judgements and Estimates* in note 3; and *Revenue* in note 18 to the financial statements.

The risk:

For the financial year ended 31 October 2019, the Group and the Company recognised revenue from contracts with customers amounted to RM360 million and RM35 million respectively. The revenue of the Group and of the Company is mainly derived from construction and engineering contracts with customers.

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

Our response:

Our audit procedures included, among others, the understanding of the Group's process in measuring revenue from contracts with customers. We reviewed the relevant terms of material contracts with customers. We assessed and challenged management's bases in the allocation of transaction prices to performance obligations of those contracts with customers. We assessed and challenged the reasonableness of management's estimation on the progress towards complete satisfaction of performance obligations of those contracts with customers. We assessed the reasonableness of budgeted costs in respect of those contracts with customers. We tested on sampling basis the actual costs incurred during the financial year in respect of those contracts with customers.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

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.

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.

INDEPENDENT AUDITORS' REPORT

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

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

LEE SOO ENG
03230/02/2020 J
Chartered Accountant

Kuala Lumpur

Date: 16 January 2020

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the Year Ended 31 October 2019

	Note	2019 RM	2018 RM (Restated)	2017 RM (Restated)
ASSETS				
NON-CURRENT ASSETS				
Plant and equipment	4	203,964,822	216,441,414	229,012,991
Intangible assets	5	864,663,380	813,321,079	705,707,792
Investment in an associate	7	3,111,587	3,098,342	2,959,374
Deferred tax assets	8	501,665	508,996	516,325
Trade receivables	9	3,174,832	5,910,670	3,629,439
		1,075,416,286	1,039,280,501	941,825,921
CURRENT ASSETS				
Contract assets	10	539,163,821	294,873,580	161,003,827
Trade and other receivables	9	35,140,870	99,522,143	102,695,729
Other current assets	11	1,962,578	3,187,863	2,644,778
Tax recoverable		101,557	3,397	23,337
Cash and bank balances	12	523,648,726	91,598,703	108,511,739
		1,100,017,552	489,185,686	374,879,410
TOTAL ASSETS		2,175,433,838	1,528,466,187	1,316,705,331
EQUITY AND LIABILITIES				
EQUITY				
Share capital	13	400,839,174	374,587,310	288,728,212
Reverse acquisition reserve	14	(36,700,000)	(36,700,000)	(36,700,000)
Employee share option reserve	15	1,981,219	3,269,170	4,477,145
Retained earnings		391,062,634	317,651,930	250,729,352
Equity attributable to owners of the Company		757,183,027	658,808,410	507,234,709
Non-controlling interest		(3,750)	(2,293)	(1,073)
TOTAL EQUITY		757,179,277	658,806,117	507,233,636

The accompanying notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the Year Ended 31 October 2019

	Note	2019 RM	2018 RM (Restated)	2017 RM (Restated)
NON-CURRENT LIABILITIES				
Loans and borrowings	16	988,541,033	475,694,607	447,578,034
Trade payables	17	28,182,884	19,137,810	8,511,152
Deferred tax liabilities	8	11,455,000	3,595,000	25,000
		1,028,178,917	498,427,417	456,114,186
CURRENT LIABILITIES				
Loans and borrowings	16	184,871,238	133,392,958	120,092,524
Trade and other payables	17	196,882,444	230,745,601	228,268,235
Tax payables		8,321,962	7,094,094	4,996,750
		390,075,644	371,232,653	353,357,509
TOTAL LIABILITIES		1,418,254,561	869,660,070	809,471,695
TOTAL EQUITY AND LIABILITIES		2,175,433,838	1,528,466,187	1,316,705,331

The accompanying notes form an integral part of the financial statements

STATEMENT OF FINANCIAL POSITION

For the Year Ended 31 October 2019

	Note	2019 RM	2018 RM (Restated)	2017 RM (Restated)
ASSETS				
NON-CURRENT ASSETS				
Plant and equipment	4	127,821	115,355	129,077
Intangible assets	5	21,515,687	20,869,755	20,370,678
Investments in subsidiaries	6	46,151,082	43,150,982	43,150,982
Deferred tax assets	8	34,000	40,000	30,000
Trade receivables	9	206,005	-	-
		68,034,595	64,176,092	63,680,737
CURRENT ASSETS				
Contract assets	10	79,630,240	98,091,257	127,519,670
Trade and other receivables	9	432,082,848	355,213,749	324,577,703
Other current assets	11	1,433,133	2,709,988	2,319,433
Tax recoverable		100,000	-	-
Cash and bank balances	12	98,779,429	29,373,085	34,369,230
		612,025,650	485,388,079	488,786,036
TOTAL ASSETS		680,060,245	549,564,171	552,466,773
EQUITY AND LIABILITIES				
EQUITY				
Share capital	13	400,839,174	374,587,310	288,728,212
Employee share option reserve	15	1,981,219	3,269,170	4,477,145
Retained earnings		21,430,216	23,016,214	27,033,123
TOTAL EQUITY		424,250,609	400,872,694	320,238,480
CURRENT LIABILITIES				
Loans and borrowings	16	20,088,909	23,572,582	16,987,359
Trade and other payables	17	235,720,727	124,046,395	213,690,934
Tax payables		-	1,072,500	1,550,000
TOTAL LIABILITIES		255,809,636	148,691,477	232,228,293
TOTAL EQUITY AND LIABILITIES		680,060,245	549,564,171	552,466,773

The accompanying notes form an integral part of the financial statements

STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 31 October 2019

	Note	Group 2019 RM	Group 2018 RM (Restated)	Company 2019 RM	Company 2018 RM
Revenue	18	376,739,190	352,818,411	42,837,322	69,672,492
Cost of operations	19	(241,044,580)	(238,739,295)	(18,974,297)	(50,752,607)
Gross profit		135,694,610	114,079,116	23,863,025	18,919,885
Other income		4,533,537	4,798,947	9,366,194	8,843,031
Administrative expenses		(9,611,678)	(8,120,153)	(14,279,254)	(13,312,865)
Operating profit		130,616,469	110,757,910	18,949,965	14,450,051
Finance costs	20	(12,046,402)	(10,503,822)	(29,695)	(132,376)
Share of results of an associate		13,245	138,968	-	-
Profit before tax	21	118,583,312	100,393,056	18,920,270	14,317,675
Tax expense	23	(27,301,065)	(18,640,452)	(2,633,268)	(3,503,338)
Profit for the year		91,282,247	81,752,604	16,287,002	10,814,337
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the year		91,282,247	81,752,604	16,287,002	10,814,337
Profit for the year attributable to:					
Owners of the Company		91,283,704	81,753,824	16,287,002	10,814,337
Non-controlling interest		(1,457)	(1,220)	-	-
		91,282,247	81,752,604	16,287,002	10,814,337
Total comprehensive income for the year attributable to:					
Owners of the Company		91,283,704	81,753,824	16,287,002	10,814,337
Non-controlling interest		(1,457)	(1,220)	-	-
		91,282,247	81,752,604	16,287,002	10,814,337
Earnings per share					
- Basic (sen)	24	19.82	19.94		
- Diluted (sen)	24	19.75	19.78		

The accompanying notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31 October 2019

		Transactions with owners of the Company						
		Non-distributable			Distributable			
	Note	**Share capital RM**	**Reverse acquisition reserve RM**	**Employee share option reserve RM**	**Retained earnings RM**	**Total RM**	**Non-controlling interest RM**	**Total equity RM**
2019								
At 1 November 2018 (restated)		374,587,310	(36,700,000)	3,269,170	317,651,930	658,808,410	(2,293)	658,806,117
Total comprehensive income for the year		-	-	-	91,283,704	91,283,704	(1,457)	91,282,247
Issuance of ordinary shares:								
- Dividend Reinvestment Scheme ("DRS")	13	13,006,348	-	-	-	13,006,348	-	13,006,348
- Exercise of Employees' Share Option Scheme ("ESOS")	13	13,387,371	-	(1,287,951)	-	12,099,420	-	12,099,420
Share issuance expenses	13	(141,855)	-	-	-	(141,855)	-	(141,855)
Dividend paid	33	-	-	-	(17,873,000)	(17,873,000)	-	(17,873,000)
At 31 October 2019		400,839,174	(36,700,000)	1,981,219	391,062,634	757,183,027	(3,750)	757,179,277
2018								
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 (restated)		-	-	-	81,753,824	81,753,824	(1,220)	81,752,604
Issuance of ordinary shares:								
- DRS	13	10,306,386	-	-	-	10,306,386	-	10,306,386
- Exercise of ESOS	13	12,559,515	-	(1,207,975)	-	11,351,540	-	11,351,540
- Private Placement	13	63,468,060	-	-	-	63,468,060	-	63,468,060
Share issuance expenses	13	(474,863)	-	-	-	(474,863)	-	(474,863)
Dividend paid	33	-	-	-	(14,831,246)	(14,831,246)	-	(14,831,246)
At 31 October 2018 (restated)		374,587,310	(36,700,000)	3,269,170	317,651,930	658,808,410	(2,293)	658,806,117

The accompanying notes form an integral part of the financial statements

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31 October 2019

	Note	------------Non-distributable---------- Share capital RM	Employee share option reserve RM	Distributable Retained earnings RM	Total equity RM
At 1 November 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	13	10,306,386	-	-	10,306,386
- Exercise of ESOS	13	12,559,515	(1,207,975)	-	11,351,540
- Private Placement	13	63,468,060	-	-	63,468,060
Share issuance expenses	13	(474,863)	-	-	(474,863)
Dividend paid	33	-	-	(14,831,246)	(14,831,246)
At 31 October 2018		374,587,310	3,269,170	23,016,214	400,872,694
Total comprehensive income for the year		-	-	16,287,002	16,287,002
Issuance of ordinary shares:					
- DRS	13	13,006,348	-	-	13,006,348
- Exercise of ESOS	13	13,387,371	(1,287,951)	-	12,099,420
Share issuance expenses	13	(141,855)	-	-	(141,855)
Dividend paid	33	-	-	(17,873,000)	(17,873,000)
At 31 October 2019		400,839,174	1,981,219	21,430,216	424,250,609

The accompanying notes form an integral part of the financial statements

STATEMENTS OF CASH FLOWS

For the Year Ended 31 October 2019

	Group		Company	
	2019 RM	2018 RM (Restated)	2019 RM	2018 RM (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	118,583,312	100,393,056	18,920,270	14,317,675
Adjustments for:				
Depreciation of plant and equipment	13,592,578	13,606,746	72,887	70,642
Gain on disposal of plant and equipment	(117,000)	(2,000)	-	-
Amortisation of intangible assets	3,647,725	3,647,725	4,793,565	4,793,565
Share of results of an associate	(13,245)	(138,968)	-	-
Profit from construction services contract	(2,457,378)	(23,883,488)	-	-
Unrealised (gain)/loss on foreign exchange	(6,173)	7,342	-	-
Finance income - unwinding of discount	(1,176,273)	(1,243,176)	-	-
Interest expenses	16,389,713	10,503,822	29,695	132,376
Interest income	(3,116,414)	(2,543,003)	(1,344,482)	(1,048,547)
Operating cash flows before changes in working capital	145,326,845	100,348,056	22,471,935	18,265,711
Changes in contract assets	(244,290,241)	(133,869,753)	18,461,017	29,428,413
Changes in receivables	67,259,811	960,681	16,397,320	16,712,471
Changes in other current assets	1,225,285	(543,085)	1,276,855	(390,555)
Changes in payables	(24,071,614)	14,271,532	(3,950,868)	(50,942,009)
Cash (used in)/generated from operating activities	(54,549,914)	(18,832,569)	54,656,259	13,074,031
Interest paid	(16,076,969)	(10,503,822)	-	(132,376)
Tax paid	(18,304,026)	(12,945,839)	(3,799,768)	(3,990,838)
Net cash (used in)/generated from operating activities	(88,930,909)	(42,282,230) -	50,856,491	8,950,817
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to intangible assets	(52,532,648)	(87,377,524)	(5,439,497)	(5,292,642)
Purchase of plant and equipment (Note 4)	(572,986)	(1,035,169)	(85,353)	(56,920)
Proceeds from disposal of plant and equipment	117,000	2,000	-	-
Acquisition of a subsidiary	-	-	(100)	-
Advances to subsidiaries	-	-	(155,991,377)	(79,855,527)
Repayment from subsidiaries	-	-	59,489,258	32,507,010
Interests received	3,116,414	2,543,003	1,344,482	1,048,547
Net cash used in investing activities	(49,872,220)	(85,867,690)	(100,682,587)	(51,649,532)

The accompanying notes form an integral part of the financial statements

STATEMENTS OF CASH FLOWS
For the Year Ended 31 October 2019

	Group		Company	
	2019 RM	2018 RM (Restated)	2019 RM	2018 RM (Restated)
CASH FLOWS FROM FINANCING ACTIVITIES				
Drawdown of loans	553,563,681	67,668,722	-	-
Repayment of loans	(35,778,320)	(23,958,319)	-	-
Net drawdown/(repayment) of borrowings	49,254,628	(4,850,171)	(3,483,673)	6,585,223
(Placement)/Withdrawal of short term deposits with licensed banks	(181,999)	1,833,685	-	-
Proceeds from exercise of ESOS	12,099,420	11,351,540	12,099,420	11,351,540
Proceeds from private placements	-	63,468,060	-	63,468,060
Share issuance expenses	(141,855)	(474,863)	(141,855)	(474,863)
Repayment of finance lease liabilities	(640,600)	(501,026)	-	-
Advances from/(Repayments to) subsidiaries	-	-	115,625,200	(38,702,530)
Dividend paid	(4,866,652)	(4,524,860)	(4,866,652)	(4,524,860)
Net cash generated from financing activities	573,308,303	110,012,768	119,232,440	37,702,570
NET CHANGES IN CASH AND CASH EQUIVALENTS	434,505,174	(18,137,152)	69,406,344	(4,996,145)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	85,331,512	103,468,664	29,373,085	34,369,230
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (NOTE 12)	519,836,686	85,331,512	98,779,429	29,373,085

The accompanying notes form an integral part of the financial statements

STATEMENTS OF CASH FLOWS
For the Year Ended 31 October 2019

Note (a):

Reconciliation of liabilities arising from financing activities

Group	**Loans RM**	**Borrowings (excluding bank overdraft) RM**	**Finance lease liabilities RM**	**Total RM**
At 1 November 2017	469,719,791	95,623,195	2,327,572	567,670,558
Cash flows:				
Drawdown of loans	67,668,722	-	-	67,668,722
Repayment of 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	(35,943,232)	(2,061,274)	(107,470)	(38,111,976)
	477,486,962	88,711,750	1,719,076	567,917,788
Non-cash changes:				
Interest expenses	35,943,232	2,061,274	107,470	38,111,976
At 31 October 2018	513,430,194	90,773,024	1,826,546	606,029,764
Cash flows:				
Drawdown of loans	565,765,443	-	-	565,765,443
Repayment of loans	(35,778,320)	-	-	(35,778,320)
Transaction costs related to the issuance	(12,201,762)	-	-	(12,201,762)
Net drawdown of borrowings	-	49,254,628	-	49,254,628
Repayment of finance lease liabilities	-	-	(640,600)	(640,600)
Interests paid	(37,752,439)	(6,709,649)	(87,632)	(44,549,720)
	993,463,116	133,318,003	1,098,314	1,127,879,433
Non-cash changes:				
Drawdown of finance lease liabilities	-	-	543,000	543,000
Interest expenses	37,771,906	6,709,649	87,632	44,569,187
At 31 October 2019	1,031,235,022	140,027,652	1,728,946	1,172,991,620

The accompanying notes form an integral part of the financial statements

STATEMENTS OF CASH FLOWS
For the Year Ended 31 October 2019

Note (a) (cont'd):

Reconciliation of liabilities arising from financing activities (cont'd)

Company	Borrowings RM	Amount owing to subsidiaries RM	Total RM
At 1 November 2017	16,987,359	144,493,144	161,480,503
Cash flows:			
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
Non-cash changes:			
Interest expenses	132,376	-	132,376
At 31 October 2018	23,572,582	105,790,614	129,363,196
Cash flows:			
Net repayment of borrowings	(3,483,673)	-	(3,483,673)
Advances from subsidiaries	-	115,625,200	115,625,200
At 31 October 2019	20,088,909	221,415,814	241,504,723

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 October 2019

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 5.

The principal activities of the Company are environmental engineering, landscaping and infrastructure, maintenance, investment holding 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 financial statements have been prepared on the historical cost basis, except for other measurement basis applied as stated in the significant accounting policies.

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

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

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

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

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

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

2.2 Application of new or amended standards

In the current year, the Group and the Company have applied a number of new standards, amendments and interpretations that become effective mandatorily for the financial periods beginning on or after 1 November 2018.

The adoption of the new standards, amendments and interpretations does not have significant impact on the financial statements of the Group and of the Company except for the impact set out in Note 34 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 October 2019

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

		Effective date
MFRS 16	Leases	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
IC Interpretation 23	Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRSs	Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Amendments to MFRS 101 and MFRS 108	Definition of Material	1 January 2020
Amendments to MFRS 3	Definition of a Business	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7	Interest Rate Benchmark Reform	1 January 2020
MFRS 17	Insurance Contracts	1 January 2021
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

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 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*.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 October 2019

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

MFRS 16 Leases (cont'd)

The Group and the Company are currently assessing the impact to the financial statements upon adopting MFRS 16, and will adopt MFRS 16 for the financial year ending 31 October 2020.

IFRIC Agenda Decision

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

2.4 Basis of consolidation

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

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

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

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

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

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

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

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 October 2019

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.4 Basis of consolidation (cont'd)

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.5 Business combination

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

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

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

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

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

(a) The aggregate of: (i) the fair value of consideration transferred; (ii) the amount of any non-controlling interest in the acquiree; and (ii) 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 recognised to profit or loss.

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

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.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 October 2019

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.7 Investment in an associate (cont'd)

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

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

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

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

The results and reserves of 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.

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 October 2019

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.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.10 Impairment of tangible and intangible assets

(a) Goodwill

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

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

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

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

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

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

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

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

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

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

2.11 Financial instruments

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

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

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 October 2019

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.11 Financial instruments (cont'd)

Financial assets

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

Subsequent measurement

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

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

Financial assets at amortised cost

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

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

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

Financial assets at FVTOCI

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.11 Financial instruments (cont'd)

Equity instruments designated at FVTOCI

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

A financial asset is held for trading if:

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

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

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL, including but not limited to:

- Debt instruments that are designated as at FVTPL, if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.
- Derivative instruments.

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

Impairment of financial assets

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 October 2019

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.11 Financial instruments (cont'd)

Impairment of financial assets (cont'd)

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

Derecognition of financial assets

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

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

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

Financial liabilities and equity instruments

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

Financial liabilities

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

Financial liabilities at FVTPL

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.11 Financial instruments (cont'd)

Financial liabilities at FVTPL (cont'd)

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

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

Financial liabilities at amortised cost

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

Effective interest method

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

Financial Guarantee Contracts

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

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

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

Derecognition of financial liabilities

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

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

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 October 2019

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.11 Financial instruments (cont'd)

Equity instrument

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

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

2.12 Revenue recognition

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

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

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

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

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

(b) Significant financing component in the contracts with customers

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

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

(c) Sale of electricity

Revenue from sale of electricity is recognised over time as the customers simultaneously received and consumed the benefits provided by the Group's performance. Revenue is recognised using an output method to measure the progress towards complete satisfaction of a performance obligation. This revenue also includes an estimated value of the electricity delivered from the date of their last meter reading and period end.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.12 Revenue recognition (cont'd)

(d) Management services and maintenance works

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

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

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

(e) Tipping fees

Revenue from tipping fees is recognised at the point in time when the performance obligation is satisfied.

(f) Dividend income

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

(g) Interest income

Interest income is recognised using the effective interest method.

Contract Balances Arising from Revenue Recognition

Contract assets are the right to consideration in exchange for goods or services transferred to customers. If goods or services are transferred to customers before the customers pay consideration or before payment is due, contract assets are recognised for the earned consideration that is conditional. Trade receivables represent the entity's right to an amount of consideration that is unconditional.

Contract liabilities are the obligation to transfer goods or services to customers for which the entity has received consideration (or an amount of consideration is due) from the customers. If the customers pay consideration before the entity transfers goods or services to the customers, contract liabilities are recognised when the payment is made or the payment is due (whichever is earlier).

2.13 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.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 October 2019

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.13 Leases (cont'd)

(a) Finance lease (cont'd)

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

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

(b) Operating lease

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

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

2.14 Borrowing costs

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

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

2.15 Employee benefits

(a) Short term employee benefits

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

(b) Defined contribution plans

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

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

(c) Employees leave entitlement

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

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 October 2019

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.15 Employee benefits (cont'd)

(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.

2.16 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.

2.17 Income tax

The income tax expense represents the aggregate of current tax and deferred tax.

Current tax and deferred tax are recognised in profit or loss. Current tax and deferred tax are recognised in other comprehensive income or directly in equity, if the tax relates to items that are recognised in other comprehensive income or directly in equity. Where deferred tax arises from a business combination, the tax effect is included in the accounting for the business combination.

Current Tax

Current tax is the expected income tax payable on the taxable profit for the year, estimated using the tax rates enacted or substantially enacted by the reporting date.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future payment to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 October 2019

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.17 Income tax (cont'd)

Deferred Tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, which is accounted using the liability method.

A deferred tax liability is recognised for all taxable temporary differences. A deferred tax asset is only recognised for deductible temporary differences and unutilised tax credit to the extent that it is probable that taxable profit will be available in future against which the deductible temporary differences and unutilised tax credit can be utilised.

No deferred tax is recognised for temporary differences arising from the initial recognition of: (i) goodwill, or (ii) an asset or liability (which is not in a business combination) at the time of the transaction that affects neither accounting profit nor taxable profit.

Deferred taxes are measured based on tax consequences that would follow from the manner in which the asset or liability is expected to be recovered or settled, and based on the tax rates enacted or substantively enacted at the reporting date that are expected to apply to the financial period when the asset is realised or when the liability is settled.

2.18 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.

2.19 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.

2.20 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 31 to the financial statements, including the factors used to identify the reportable segments and the measurement basis of segment information.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

Although these estimates are based on management's best knowledge of current events and actions, historical experiences and various other 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 environmental engineering, landscaping, infrastructure and construction contracts.

The Group and the Company recognise revenue from environmental engineering, landscaping, infrastructure and construction contracts based on input method. The stage of completion is measured by reference to the contract costs incurred for work performed to date bear to the estimated total contract costs. The contract costs incurred for work performed including claims submitted to or certified by customers. However, there are circumstances where contract cost is recognised based on work performed but yet to be certified by customers, which are commonly encountered in the final claim submitted upon the completion of the entire project.

In such circumstances, significant judgement is required in determining the stage of completion, the extent of the contract costs incurred, the estimated total contract revenue (for contracts other than fixed price contracts) and contract costs, as well as the recoverability of the contracts. Total contract revenue also includes an estimation of the recoverable variation works that are recoverable from customers. In making the judgement, the Group and the Company evaluate based on past experience and/or by relying on the work of other specialists. It is also the policy of the Group and of the Company to have informal discussion with the customers on the amount to be claimed before the formal claims are submitted.

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

The determination of transaction price involves judgement where a contract contains a significant financing component. Management consider all relevant facts and circumstances in assessing whether a contract contains a financing component and whether that financing component is significant to the contract.

(b) Revenue and cost recognition for intangible assets model

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

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 October 2019

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (cont'd)

3.2 Key sources of estimation uncertainty

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

(a) Impairment of intangible assets

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

(b) Impairment of investments in subsidiaries

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

(c) Depreciation and impairment of plant and equipment

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

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

(d) Amortisation and useful lives of development expenditure

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

(e) Determining the loss allowance for trade receivables and contract assets

Management assesses the ECL for trade receivables and contract assets at each reporting date. Credit losses are the difference between the contractual cash flows that are due to the entity and the cash flows that it actually expects to receive. Management applies simplified approach of MFRS 9 Financial Instruments in assessing the impairment of trade receivables and contract assets.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 October 2019

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) Determining the loss allowance for trade receivables and contract assets (cont'd)

In determining the ECL, management uses historical credit loss experience for trade receivables and contract assets to estimate the ECL. Management is not only required to consider historical information that is adjusted to reflect the effects of current conditions and information that provides objective evidence that trade receivables and contract assets are impaired in relation to incurred losses, but management is also considering, when applicable, reasonable and supportable information that may include forecasts of future economic conditions when estimating the ECL, on an individual and collective basis. The need to consider forward-looking information means that management exercises considerable judgement as to how changes in macroeconomic factors will affect the ECL on trade receivables and contract assets.

The ECL assessment on trade receivables and contract assets as at current reporting date is primarily based upon the historical credit loss experience and current status of the debtors. The carrying amount of trade receivables and contract assets are disclosed in Notes 9 and 10 to the financial statements.

(f) Determining the loss allowance for non-trade receivables

Management assesses the ECL of receivables (other than trade receivables) at each reporting date. Credit losses are the difference between the contractual cash flows that are due to the entity and the cash flows that it actually expects to receive.

In determining the ECL, management assesses whether there has been any significant increase in credit risk since initial recognition of a receivable. Where there has not been a significant increase in credit risk since initial recognition, management determines the loss allowance by estimating an amount equal to 12-month ECL of that receivable. For those credit exposures for which there has been a significant increase in the likelihood or risk of a default occurring since initial recognition (instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring), management measures a loss allowance for credit losses expected over the remaining life of that receivable. Management exercise considerable judgement in these estimations, using historical credit loss experience as well as reasonable and supportable information that may include forecasts of future economic conditions when estimating the ECL.

The carrying amount of these receivables is disclosed in Note 9 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.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 October 2019

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):

(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 2019

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 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
Additions	-	8,691	639,407	95,949	-	371,939	1,115,986
Disposals	-	-	(570,000)	-	-	-	(570,000)
At 31 October 2019	3,705,764	1,374,575	4,735,415	1,677,487	265,743,254	21,149,229	298,385,724
Accumulated depreciation							
At 1 November 2017	2,443,618	658,201	2,737,293	1,448,668	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	772,260	3,262,126	1,508,568	73,255,227	-	81,398,324
Charge for the year	138,740	149,124	584,278	62,592	12,657,844	-	13,592,578
Disposals	-	-	(570,000)	-	-	-	(570,000)
At 31 October 2019	2,738,883	921,384	3,276,404	1,571,160	85,913,071	-	94,420,902
Net carrying amount							
At 31 October 2019	966,881	453,191	1,459,011	106,327	179,830,183	21,149,229	203,964,822
At 31 October 2018	1,105,621	593,624	1,403,882	72,970	192,488,027	20,777,290	216,441,414

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 October 2019

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 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
Additions	8,691	-	76,662	85,353
At 31 October 2019	537,510	30,049	469,270	1,036,829
Accumulated depreciation				
At 1 November 2017	459,792	30,049	275,638	765,479
Charge for the year	18,069	-	52,573	70,642
At 31 October 2018	477,861	30,049	328,211	836,121
Charge for the year	17,091	-	55,796	72,887
At 31 October 2019	494,952	30,049	384,007	909,008
Net carrying amount				
At 31 October 2019	42,558	-	85,263	127,821
At 31 October 2018	50,958	-	64,397	115,355

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

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Cash payments	572,986	1,035,169	85,353	56,920
Finance lease arrangement	543,000	-	-	-
	1,115,986	1,035,169	85,353	56,920

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 October 2019

4. PLANT AND EQUIPMENT (cont'd)

Assets held under finance lease

The carrying amount of the Group's motor vehicles held under finance leases at the reporting date was RM1,459,011 (2018: RM1,403,882).

The Group's motor vehicles held under finance leases are pledged as security for the related lease liabilities (Note 26 (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 RM299,000 (2018: RM354,677).

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 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
Additions	50,899,529	4,090,497	-	-	54,990,026
At 31 October 2019	847,644,437	23,682,041	170,000	462,352	871,958,830
Accumulated amortisation					
At 1 November 2017	-	-	-	-	-
Charge for the year	-	3,647,725	-	-	3,647,725
At 31 October 2018	-	3,647,725	-	-	3,647,725
Charge for the year	-	3,647,725	-	-	3,647,725
At 31 October 2019	-	7,295,450	-	-	7,295,450
Net carrying amount					
At 31 October 2019	847,644,437	16,386,591	170,000	462,352	864,663,380
At 31 October 2018	796,744,908	15,943,819	170,000	462,352	813,321,079

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 October 2019

5. INTANGIBLE ASSETS (cont'd)

Company	**2019 RM**	**2018 RM**
Development expenditure		
Cost		
At 1 November	25,663,320	20,370,678
Additions	5,439,497	5,292,642
At 31 October	31,102,817	25,663,320
Accumulated amortisation		
At 1 November	(4,793,565)	-
Charge for the year	(4,793,565)	(4,793,565)
At 31 October	(9,587,130)	(4,793,565)
Net carrying amount		
At 31 October	21,515,687	20,869,755

(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

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 October 2019

5. INTANGIBLE ASSETS (cont'd)

(a) Intangible asset recognised pursuant to IC 12 (cont'd)

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 RM28,422,151 (2018: RM27,330,720).

The intangible asset is pledged as security for the borrowing as disclosed in Note 16 to the financial statements.

(b) Development expenditure

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

Development projects in progress of the Group and of the Company as at the end of the reporting period amounted to RM12,738,866 (2018: RM8,648,369) and RM16,722,122 (2018: RM11,282,625) respectively.

The useful life of completed development projects is three years. The amortisation of development expenditure is included in cost of sales.

The recoverable amount has been determined based on value in use calculation using cash 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.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 October 2019

5. INTANGIBLE ASSETS (cont'd)

(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 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% (2018: 7% to 12%) to the relevant future cash flows.

6. INVESTMENTS IN SUBSIDIARIES

	Company	
	2019 RM	2018 RM
Unquoted shares, at cost	46,151,082	43,150,982

The subsidiaries, all incorporated in Malaysia and having principal place of business in Malaysia, are as follows:

Name of subsidiaries	Principal activities	Proportion (%) of ownership interest	
		2019	2018
Held by the Company:			
Cypark Sdn. Bhd.	Landscape specialist that offers integrated turnkey contract services, management services, planning and design services for external built environment and landscape maintenance services, project management services and infrastructure developments	100	100

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 October 2019

6. INVESTMENTS IN SUBSIDIARIES (cont'd)

The subsidiaries, all incorporated in Malaysia and having principal place of business in Malaysia, are as follows (cont'd):

Name of subsidiaries	Principal activities	Proportion (%) of ownership interest	
		2019	2018
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
Forenergy Sdn. Bhd. *	Dormant	100	-
Held through Cypark Renewable Energy Sdn. Bhd.:			
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 and solar business	100	100
Cypark Suria (Sua Betong) Sdn. Bhd.**	Dormant	100	-
Held through Cypark Suria (Negeri Sembilan) Sdn. Bhd.:			
Cypark Suria (Pajam) Sdn. Bhd.	Renewable energy	100	100
Cypark Suria (Kuala Sawah) Sdn. Bhd.	Renewable energy	100	100
Cypark Suria (Bukit Palong) Sdn. Bhd.	Dormant	100	100
Cypark Suria (Sua Betong) Sdn. Bhd.**	Dormant	-	100
Held through Kenari Pasifik Sdn. Bhd.:			
Gaya Dunia Sdn. Bhd.*#	Renewable energy	-	-
Held through Tiara Insight Sdn. Bhd.:			
Rentak Raya Sdn. Bhd.*#	Renewable energy	-	-
Held through Semangat Sarjana Sdn. Bhd.:			
Ambang Fiesta Sdn. Bhd.*#	Renewable energy	-	-
Held through Cypark Smart Resources Sdn. Bhd.:			
Cypark Smart Technology Holdings Sdn. Bhd.	Investment holding	100	100

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 October 2019

6. INVESTMENTS IN SUBSIDIARIES (cont'd)

The subsidiaries, all incorporated in Malaysia and having principal place of business in Malaysia, are as follows (cont'd):

Name of subsidiaries	Principal activities	Proportion (%) of ownership interest	
		2019	2018
Held through Cypark Smart Technology Holdings Sdn. Bhd.:			
Cypark Smart Technology (NS) Sdn. Bhd.	Investment holding	100	100
Held through Cypark Smart Technology (NS) Sdn. Bhd.:			
Cypark Smart Technology Sdn. Bhd.	Waste management facilities	100	100
Held through Cypark FMS Sdn. Bhd.:			
Aomori Kogaku Sdn. Bhd. *	Dormant	70	70
Held through Cypark Green Tech Sdn. Bhd.:			
Reviva Sdn. Bhd. *	Investment holding	100	100
Cypark RE Store Sdn. Bhd. *	Dormant	100	100

* Audited by firm other than Mazars PLT
** Internal restructuring. No impact to effective ownership interest of the Group.
# Refer to Note 6 (b)

(a) During the year, the Company increased its equity interest in Cypark Renewable Energy Sdn. Bhd. ("CRE") from RM2,000,000 to RM5,000,000 by way of subscribing 3,000,000 ordinary shares of RM1 each in CRE through the capitalisation of amount owing by CRE amounting RM3,000,000 to the Company.

(b) Business combination

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

(c) The Group has assessed the non-controlling 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 2019.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 October 2019

7. INVESTMENT IN AN ASSOCIATE

	Group 2019 RM	2018 RM
Unquoted shares, at cost	3,000,000	3,000,000
Share of results	111,587	98,342
	3,111,587	3,098,342

The associate, incorporated and operated in Malaysia, is as follow:

Name of associate	Principal activity	Proportion (%) of ownership interest 2019	2018
Held through Reviva Sdn. Bhd.:			
BAC Biomass (Kg. Gajah) Sdn. Bhd.	Business in design, develop and maintain biomass based renewable energy facility	34%	34%

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 2019 had been used.

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

	2019 RM	2018 RM
Non-current assets	4,228,764	3,145,141
Current assets	796,190	1,465,109
Non-current liability	(32,174)	(32,174)
Current liabilities	(663,535)	(287,786)
Revenue	65,341	235,978
Other income	451,521	1,083,126
Profit for the year	38,955	408,730
Total comprehensive income for the year	38,955	408,730

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 October 2019

7. INVESTMENT IN AN ASSOCIATE (cont'd)

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

	2019 RM	2018 RM
Net assets	4,329,245	4,290,290
Proportion of ownership interest held by the Group	34%	34%
Group's share of net assets	1,471,943	1,458,698
Goodwill	1,639,644	1,639,644
Carrying amount of the Group's interest in the associate	3,111,587	3,098,342

8. DEFERRED TAX ASSETS/(LIABILITIES)

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

Group	As at 1 November 2017 RM	Recognised in profit or loss (Note 23) RM (Restated)	As at 31 October 2018 RM (Restated)	Recognised in profit or loss (Note 23) RM	As at 31 October 2019 RM
Deferred tax assets:					
Provisions	55,159	19,112	74,271	37,128	111,399
Unabsorbed capital allowances	38,809,373	738,398	39,547,771	(2,827,842)	36,719,929
Unabsorbed investment tax allowances	3,201,126	1,173,687	4,374,813	1,156,194	5,531,007
	42,065,658	1,931,197	43,996,855	(1,634,520)	42,362,335
Deferred tax liabilities:					
Contract assets	-	(3,584,000)	(3,584,000)	(4,930,000)	(8,514,000)
Payables and loans	1,093	(1,093)	-	(2,930,000)	(2,930,000)
Plant and equipment	(41,575,426)	(1,923,433)	(43,498,859)	1,627,189	(41,871,670)
	(41,574,333)	(5,508,526)	(47,082,859)	(6,232,811)	(53,315,670)
	491,325	(3,577,329)	(3,086,004)	(7,867,331)	(10,953,335)

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 October 2019

8. DEFERRED TAX ASSETS/(LIABILITIES) (cont'd)

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

Company	As at 1 November 2017 RM	Recognised in profit or loss (Note 23) RM (Restated)	As at 31 October 2018 RM (Restated)	Recognised in profit or loss (Note 23) RM	As at 31 October 2019 RM
Deferred tax assets:					
Provisions	35,747	253	36,000	(2,727)	33,273
Deferred tax liabilities:					
Plant and equipment	(5,747)	9,747	4,000	(3,273)	727
	30,000	10,000	40,000	(6,000)	34,000

Presented after appropriate offsetting are as follows:

	Group 2019 RM	Group 2018 RM (Restated)	Company 2019 RM	Company 2018 RM
Deferred tax assets	501,665	508,996	34,000	40,000
Deferred tax liabilities	(11,455,000)	(3,595,000)	-	-
	(10,953,335)	(3,086,004)	34,000	40,000

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

	Group 2019 RM	Group 2018 RM
Unutilised business losses	71,897,646	47,307,734
Unabsorbed investment tax allowances	237,895,966	242,810,594
	309,793,612	290,118,328

The Group is eligible to claim 100% (2018: 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.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 October 2019

8. DEFERRED TAX ASSETS/(LIABILITIES) (cont'd)

Pursuant to the relevant tax legislation, unabsorbed investment tax allowances can be carried forward indefinitely and unutilised business losses will expire as follows:

	Group	
	2019	2018
	RM	RM
Expire in 2025	47,307,734	47,307,734
Expire in 2026	24,589,912	-
	71,897,646	47,307,734

9. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2019	2018	2019	2018
	RM	RM (Restated)	RM	RM (Restated)
Non-current				
Trade receivables				
Retention sums	3,174,832	5,910,670	206,005	-
Current				
Trade receivables				
Third parties (Note 9(a))	18,170,744	69,606,089	8,796,600	15,168,639
Retention sums	4,115,478	3,547,537	-	699,226
Amounts due from subsidiaries (Note 9(a))	-	-	1,340,566	11,155,349
	22,286,222	73,153,626	10,137,166	27,023,214
Other receivables				
Amounts due from subsidiaries (Note 9(b))	-	-	421,200,111	327,697,992
Sundry receivables	9,232,024	24,499,395	292,439	301,050
Refundable deposits	3,622,624	1,869,122	453,132	191,493
	12,854,648	26,368,517	421,945,682	328,190,535
	35,140,870	99,522,143	432,082,848	355,213,749
Total trade and other receivables	38,315,702	105,432,813	432,288,853	355,213,749

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 October 2019

9. TRADE AND OTHER RECEIVABLES (cont'd)

	Group		Company	
	2019 RM	2018 RM (Restated)	2019 RM	2018 RM (Restated)
Total trade and other receivables	38,315,702	105,432,813	432,288,853	355,213,749
Cash and bank balances (Note 12)	523,648,726	91,598,703	98,779,429	29,373,085
Total financial assets at amortised cost	561,964,428	197,031,516	531,068,282	384,586,834

(a) Trade receivables

The Group's and the Company's normal trade credit term ranges from 30 to 90 (2018: 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 RM1,340,566 (2018: RM11,155,349), 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 (2018: 12 to 36) months.

Subsequent to the financial year end and up to the date of this report, trade receivables of the Group and the Company has recovered RM6,754,317 (2018: RM21,092,857) and RM6,140,649 (2018: RM1,080,907) respectively.

Ageing analysis of trade receivables

The ageing analysis of the Group's and the Company's trade receivables are as follows:

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Not past due	8,460,401	45,548,279	1,083,008	13,459,565
1 to 30 days past due	407,464	12,928,605	-	1,209,496
31 to 90 days past due	298,136	4,126,145	-	4,115,840
More than 90 days past due	16,295,053	16,461,267	9,260,163	8,238,313
	17,000,653	33,516,017	9,260,163	13,563,649
	25,461,054	79,064,296	10,343,171	27,023,214

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 October 2019

9. TRADE AND OTHER RECEIVABLES (cont'd)

(a) Trade receivables (cont'd)

Ageing analysis of trade receivables (cont'd)

(i) Receivables that are neither past due nor impaired

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

None of the Group's and the Company's trade receivables that are neither past due nor impaired have been renegotiated during the financial year (2018: Nil).

(ii) Receivables that are past due but not impaired

The Group and the Company have trade receivables amounting to RM17,000,653 (2018: RM33,516,017) and RM9,260,163 (2018: RM13,563,649), respectively that are past due at the reporting date but not impaired. The Group's trade receivables arise from customers with more than four (2018: four) years of experience with the Group and the Company with good track records. The receivables that are past due but not impaired are unsecured in nature. Having considered all pertinent information at the reporting date, the directors are of the opinion that no allowance for doubtful debts is required for these balances.

(b) Amounts due from subsidiaries

Amounts due from subsidiaries are unsecured, non-interest bearing, receivable on demand and/or expected to recover in the next twelve months.

(c) Grant receivable

Included in sundry receivables is an amount of RM Nil (2018: 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 of RM4,493,075 had been offset against the corresponding costs in the statement of comprehensive income.

10. CONTRACT ASSETS

	Group		Company	
	2019 RM	2018 RM (Restated)	2019 RM	2018 RM (Restated)
At 1 November	294,873,580	161,003,827	98,091,257	127,519,670
Revenue recognised during the year	317,247,388	265,010,761	12,337,322	47,172,492
Transfer to receivables	(72,957,147)	(131,141,008)	(30,798,339)	(76,600,905)
At 31 October	539,163,821	294,873,580	79,630,240	98,091,257

Revenue from contracts with customers are recognised over time, while the customers are billed via progress billings according to contractual milestones.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 October 2019

10. CONTRACT ASSETS (cont'd)

A contract asset is recognised in respect of the right to consideration for work performed which has not billed at the reporting date.

Subsequent to the financial year end and up to the date of this report, the Group and the Company has billed RM5,918,024 (2018: RM14,015,969) and RM513,892 (2018: RM8,888,071) respectively out of the contract assets.

Contract assets as at the end of the financial year include unbilled financing revenue arising from contracts with customers amounted to RM18,000,111 (2018: RM1,569,030).

11. OTHER CURRENT ASSETS

	Group		Company	
	2019 RM	2018 RM (Restated)	2019 RM	2018 RM (Restated)
Prepaid operating expenses	653,015	403,772	123,570	56,959
Goods and services tax ("GST") recoverable	1,309,563	2,784,091	1,309,563	2,653,029
	1,962,578	3,187,863	1,433,133	2,709,988

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

12. CASH AND BANK BALANCES

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Short term deposits	492,629,688	68,588,583	90,065,552	26,933,355
Cash at banks and on hand	31,019,038	23,010,120	8,713,877	2,439,730
Cash and bank balances	523,648,726	91,598,703	98,779,429	29,373,085

Short term deposits of the Group and of the Company amounting to RM55,687,117 (2018: RM53,440,624) and RM12,860,992 (2018: RM12,463,849) respectively are pledged to licensed banks for credit facilities granted to the Group and the Company which are not available for general use.

The interest rates of deposits with licensed banks for the Group and the Company are ranging from 2.40% to 3.90% (2018: 2.10% to 3.65%) per annum.

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

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 October 2019

12. CASH AND BANK BALANCES (cont'd)

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Cash at banks and on hand	31,019,038	23,010,120	8,713,877	2,439,730
Short term deposits with maturities less than 90 days	489,238,299	65,379,193	90,065,552	26,933,355
	520,257,337	88,389,313	98,779,429	29,373,085
Less: Bank overdraft (Note 16)	(420,651)	(3,057,801)	-	-
Cash and cash equivalents	519,836,686	85,331,512	98,779,429	29,373,085

13. SHARE CAPITAL

	Number of shares	Share capital RM
Issued and paid-up ordinary shares:		
At 1 November 2017	260,993,172	288,728,212
Issuance of shares:		
- DRS	4,727,700	10,306,386
- Exercise of ESOS	5,354,500	12,559,515
- Private Placement	28,737,000	63,468,060
	299,812,372	375,062,173
Share issuance expenses	-	(474,863)
At 31 October 2018	299,812,372	374,587,310
Issuance of shares:		
- DRS	9,159,400	13,006,348
- Exercise of ESOS	5,800,500	13,387,371
- Bonus issue	152,669,181	-
	467,441,453	400,981,029
Share issuance expenses	-	(141,855)
At 31 October 2019	467,441,453	400,839,174

During the financial year, the Company increased its total number of issued and paid-up share capital from 299,812,372 ordinary shares to 467,441,453 ordinary shares by way of:

(a) Issuance of 9,159,400 new ordinary shares in the Company ("CRB Shares") at an issue price of RM 1.42 per share pursuant to the DRS;

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 October 2019

13. SHARE CAPITAL (cont'd)

During the financial year, the Company increased its total number of issued and paid-up share capital from 299,812,372 ordinary shares to 467,441,453 ordinary shares by way of (cont'd):

(b) Issuance of 5,526,000 CRB Shares at an exercise price of RM2.12 per share pursuant to the exercise of options under the ESOS;

(c) Issuance of 274,500 CRB Shares at an exercise price of RM1.40 per share pursuant to the exercise of options under the ESOS; and

(d) Issuance of 152,669,181 CRB Shares on the basis of 1 bonus share for every 2 existing CRB Shares held.

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

The holders of ordinary shares are entitled to receive dividends as and when declared 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.

14. 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.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 October 2019

15. 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;

(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;

(vi) All new CRB Shares issued upon exercise of the options granted under the ESOS will rank pari passu in all respects with the existing CRB Shares except that the new CRB Shares issued will not be entitled to any dividend, rights or other distributions declared, made or paid to shareholders prior to the date of allotment; and

(vii) The options granted under ESOS are not assignable.

Grant date:	26 April 2017
Number of options:	23,100,000
Exercise period:	26/4/2017 to 18/10/2020
Exercise price:	
- Before bonus issue:	2.12
- After bonus issue:	1.40

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 October 2019

15. EMPLOYEE SHARE OPTION RESERVE (cont'd)

The movements during the financial year in the number of ESOS of the Company are as follows:

	No. of options	Weighted average exercise price	Weighted average share price at exercise date
At 1 November 2017	19,845,500	2.12	
Exercised	(5,354,500)	2.12	2.43
At 31 October 2018	14,491,000	2.12	
Bonus issue	4,482,500		
Exercised	(5,800,500)	1.40 to 2.12	2.37
At 31 October 2019	13,173,000	1.40	

Exercisable ESOS as at the end of the reporting period is 13,173,000 (2018:14,491,000) options.

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.

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16. LOANS AND BORROWINGS

		Group		Company	
	Maturity	2019 RM	2018 RM	2019 RM	2018 RM
Non-current					
Secured:					
Finance leases (Note 26(c))	2021 - 2023	1,314,331	1,342,733	-	-
Term loans	2021 -2026	449,408,997	474,351,874	-	-
Islamic medium term notes ("IMTNs")	2022 - 2040	537,817,705	-	-	-
		988,541,033	475,694,607	-	-
Current					
Secured:					
Finance leases (Note 26(c))	2020	414,615	483,813	-	-
Bank Overdrafts	2020	420,651	3,057,801	-	-
Trust receipts	2020	56,627,652	52,773,024	18,088,909	21,572,582
Revolving credits	2020	83,400,000	38,000,000	2,000,000	2,000,000
Term loans	2020	44,008,320	39,078,320	-	-
		184,871,238	133,392,958	20,088,909	23,572,582
Total loans and borrowings (Note 17)		1,173,412,271	609,087,565	20,088,909	23,572,582

The remaining maturities of the loans and borrowings at the reporting date are as follows:

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
On demand or within 1 year	184,871,238	133,392,958	20,088,909	23,572,582
More than 1 year and less than 2 years	53,231,984	52,439,920	-	-
More than 2 years and less than 5 years	220,261,176	166,715,260	-	-
5 years or more	715,047,873	256,539,427	-	-
	1,173,412,271	609,087,565	20,088,909	23,572,582

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 October 2019

16. LOANS AND BORROWINGS (cont'd)

The breakdown of Islamic and Conventional loans and borrowings are as follow:

	Group		Company	
	2019 RM	**2018 RM**	**2019 RM**	**2018 RM**
Non-current				
Islamic	932,151,870	406,550,700	-	-
Conventional	56,389,163	69,143,907	-	-
	988,541,033	475,694,607	-	-
Current				
Islamic	167,108,787	105,832,846	20,088,909	23,572,582
Conventional	17,762,451	27,560,112	-	-
	184,871,238	133,392,958	20,088,909	23,572,582
Total	1,173,412,271	609,087,565	20,088,909	23,572,582

Finance leases

Finance leases are secured by a charge over the leased assets in Note 4 to the financial statements. The discount rate implicit in these leases ranged between 2.31% and 3.40% (2018: 2.31% and 3.40%) per annum.

Bank overdrafts

Bank overdrafts bear interests ranging from base lending rate ("BLR") + 1% to BLR + 1.75% (2018: 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% (2018: BLR + 0.5% to BLR + 1.25% and COF + 1% to COF + 1.25%) per annum.

Revolving credits

Revolving credits bear interest ranging from COF + 1.75% to COF + 2.5% (2018: COF + 1.75% to COF + 2.5%) and BLR + 0.75% (2018: BLR + 0.75%) per annum.

Term loans

Term loans bear interests ranging from COF + 1.75% to COF + 2.25% and at BLR (2018: COF + 1.75% to COF + 2.25% and at BLR) per annum.

The above facilities (except for finance lease and term loans) are secured by way of existing deposits pledged to the financial institutions and corporate guarantee issued by the Company.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 October 2019

16. LOANS AND BORROWINGS (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.

<u>Islamic medium term notes ("IMTNs")</u>

On 11 October 2019, the Company issued IMTNs pursuant to Sri Sukuk Murabahah Programme ("Sukuk Murabahah") of RM550.0 million in nominal value. Such IMTNs were issued in 19 series with maturities commencing from year 2022 to 2040. The profit margin ranges from 4.60% to 5.99% per annum.

The utilisation of the proceeds from the issuances shall include, but not limited to finance the costs and expenses associated with the design, procurement, construction and commission, of three (3) 30MWAC solar photovoltaic power plant projects under Large Scale Solar ("LSS") 2, the profit payment of the IMTNs during the construction period and to defray any expenses incurred in relation to the IMTNs.

The IMTNs are secured by the following:

(a) the debenture incorporating a first ranking fixed and floating charge over the present and future assets;

(b) the assignment of Issuer's Material Project Documents;

(c) the assignment and Charge of Designated Accounts (Issuer);

(d) the assignment of Takaful Contracts/Insurance Policies;

(e) the assignment of Project Bonds (Issuer);

(f) the Tripartite Security Deeds under which the assignment of all revenue proceeds of the power purchase agreements signed with Tenaga Nasional Berhad of the 3 projects is created; and

(g) Letter of Undertaking (Contingent Equity Support).

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 October 2019

17. TRADE AND OTHER PAYABLES

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Non-current				
Trade payables				
Retention sums	28,182,884	19,137,810	-	-
Current				
Trade payables				
Third parties (Note 17(a))	174,390,904	212,345,386	6,875,552	7,286,695
Retention sums	4,569,079	2,629,333	373,890	348,745
Amounts due to subsidiaries (Note 17(a))	-	-	829,193	2,672,086
	178,959,983	214,974,719	8,078,635	10,307,526
Other payables				
Amounts due to subsidiaries (Note 17(b))	-	-	221,415,814	105,790,614
Sundry payables	1,315,132	2,842,242	374,025	2,456,384
Accruals	16,607,329	12,928,640	5,852,253	5,491,871
	17,922,461	15,770,882	227,642,092	113,738,869
	196,882,444	230,745,601	235,720,727	124,046,395
Total trade and other payables	225,065,328	249,883,411	235,720,727	124,046,395
Total trade and other payables	225,065,328	249,883,411	235,720,727	124,046,395
Add: Loans and borrowings (Note 16)	1,173,412,271	609,087,565	20,088,909	23,572,582
Total financial liabilities at amortised cost	1,398,477,599	858,970,976	255,809,636	147,618,977

(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 (2018: 30 to 90) days although it is customary for the credit terms to be extended beyond 90 days based on case-by-case basis.

Included in trade payables of the Group is an amount due to a company in which certain directors of the Company have financial interests, CyEn Resources Sdn. Bhd., of RM1,311,032 (2018: RM15,772,245), which is subject to normal trade terms.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 October 2019

17. TRADE AND OTHER PAYABLES (cont'd)

(a) Trade payables (cont'd)

Included in trade payables of the Company are amounts due to subsidiaries of RM829,193 (2018: RM2,672,086), 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 (2018: 12 to 36) months.

(b) Amounts due to subsidiaries

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

18. REVENUE

	Group		Company	
	2019 RM	2018 RM (Restated)	2019 RM	2018 RM
Revenue from contracts with customers				
- Environmental engineering	261,674,665	258,411,095	9,302,304	46,076,774
- Landscaping and infrastructure	34,482,254	37,458,443	3,204,191	-
- Maintenance works	5,130,827	6,595,717	5,130,827	6,395,718
- Green tech and renewable energy	59,020,364	48,784,125	-	-
- Management fee	-	-	17,200,000	17,200,000
	360,308,110	351,249,380	34,837,322	69,672,492
Financing revenue arising from contracts with customers	16,431,080	1,569,031	-	-
Dividend income	-	-	8,000,000	-
	376,739,190	352,818,411	42,837,322	69,672,492

Revenue from contracts with customers is recognised over time except for an amount of RM7,500,746 (2018: RM7553,186) of the Group is recognised at point in time.

Included in the revenue of environmental engineering segment of the Group is an amount of RM22,484,302 (2018: RM79,947,050) which represents revenue from construction services relating to the concession asset.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 October 2019

18. REVENUE (cont'd)

Reconciliation of revenue and segmental information:

Group	**Environmental engineering RM**	**Landscaping & infrastructure RM**	**Maintenance works RM**	**Green tech & renewable energy RM**
2019				
Revenue from contracts with customers	261,674,665	34,482,254	5,130,827	59,020,364
Financing revenue arising from contracts with customers	16,431,080	-	-	-
	278,105,745	34,482,254	5,130,827	59,020,364
2018				
Revenue from contracts with customers	258,411,095	37,458,443	6,595,717	48,784,125
Financing revenue arising from contracts with customers	1,569,031	-	-	-
	259,980,126	37,458,443	6,595,717	48,784,125

Revenue expected to be recognised in the future, related to the aggregate amount of the transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at the reporting date are as follows:

	Group		**Company**	
	2019 RM	**2018 RM**	**2019 RM**	**2018 RM**
Revenue recognised over time				
- within one year	270,323,529	279,557,970	1,513,092	9,429,470
- later than one year but not later than 5 years	-	256,642,397	-	359,507
	270,323,529	536,200,367	1,513,092	9,788,977

19. COST OF OPERATIONS

Included in the cost of operations of the Group is an amount of RM4,343,311 (2018: RM Nil) which represents finance cost relating to contracts with customers.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 October 2019

20. FINANCE COSTS

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Interest expenses on:				
- bank overdrafts	248,400	77,243	-	-
- finance leases	87,632	107,470	-	-
- term loans	7,416,595	8,257,835	-	-
- revolving credits	462,971	606,300	-	-
- letter of credits	74,991	10,890	-	-
- trust receipts	2,127,923	666,272	-	-
- bank facility fees	800,000	10,000	-	-
- bank guarantee commissions	534,613	767,812	-	132,376
Finance cost of financial instruments at amortised cost	293,277	-	29,695	-
	12,046,402	10,503,822	29,695	132,376

21. PROFIT BEFORE TAX

The following items have been included in arriving at profit before tax:

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Auditors' remuneration:				
- statutory audit	273,600	248,600	73,000	70,000
- non-audit fee	48,300	5,000	5,300	5,000
Amortisation of development expenditure	3,647,725	3,647,725	4,793,565	4,793,565
Depreciation of plant and equipment	13,592,578	13,606,746	72,887	70,642
Unrealised foreign exchange (gain)/loss	(6,173)	7,342	-	-
Gain on disposal of plant and equipment	(117,000)	(2,000)	-	-
Minimum operating lease payments on:				
- premises	327,417	347,142	73,536	73,536
- site equipment	83,100	79,067	-	-
- motor vehicles	417,330	477,332	93,300	99,000
- office equipment	51,070	51,334	3,880	3,234
- land	7,036,548	6,331,249	-	-
Finance income - financial instruments at amortised cost	(1,176,273)	(1,243,176)	-	-
Interest income	(3,116,414)	(2,543,003)	(1,344,482)	(1,048,547)
	(4,292,687)	(3,786,179)	(1,344,482)	(1,048,547)

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 October 2019

21. PROFIT BEFORE TAX (cont'd)

The following items have been included in arriving at profit before tax (cont'd):

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Employee benefits expense:				
- salaries and bonuses				
- current	17,001,622	14,683,330	3,251,003	932,619
- overprovision in prior year	(3,520,866)	(3,125,000)	(2,232,143)	(3,125,000)
- defined contribution plan				
- current	1,868,904	1,835,295	297,158	167,958
- overprovision in prior year	(422,504)	(375,000)	(267,857)	(375,000)
- social security contributions	90,388	75,110	25,454	16,443
- other benefits	1,238,761	952,296	584,323	460,624
	16,256,305	14,046,031	1,657,938	(1,922,356)

22. DIRECTORS' REMUNERATIONS

The details of remunerations received/receivable by directors of the Company are as follows:

	Group and Company	
	2019 RM	2018 RM
Executive:		
Salaries and other allowances	4,819,421	5,475,421
Defined contribution plan	578,160	656,880
Total executive directors' remuneration	5,397,581	6,132,301
Non-executive:		
Directors' fees	722,400	698,400
Total directors' remuneration	6,119,981	6,830,701

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 October 2019

23. TAX EXPENSE

	Group		Company	
	2019 RM	2018 RM (Restated)	2019 RM	2018 RM
Current tax:				
- current	19,611,539	15,803,213	2,700,000	3,500,000
- (over)/underprovision in prior year	(177,805)	(740,090)	(72,732)	13,338
	19,433,734	15,063,123	2,627,268	3,513,338
Deferred tax (Note 8)	7,867,331	3,577,329	6,000	(10,000)
	27,301,065	18,640,452	2,633,268	3,503,338

Income tax is determined at Malaysian statutory tax rate of 24% (2018: 24%) of estimated taxable income.

The provision for taxation differs from the amount of taxation determined by applying the applicable statutory tax rate to the profit before tax as a result of the following differences:

	Group		Company	
	2019 RM	2018 RM (Restated)	2019 RM	2018 RM
Profit before tax (excluding share of results of associate)	118,570,067	100,254,088	18,920,270	14,317,675
Taxation at applicable tax rate of 24% (2018:24%)	28,456,816	24,060,981	4,540,865	3,436,242
Non-deductible expenses	1,634,569	1,208,025	260,407	314,463
Non-taxable income	(513,267)	(3,687,487)	(2,095,272)	(260,705)
Deferred tax not recognised	(2,099,248)	(2,200,977)	-	-
(Over)/Under provision of income tax in prior year	(177,805)	(740,090)	(72,732)	13,338
	27,301,065	18,640,452	2,633,268	3,503,338

Any dividend distributed by the Company out of its retained earnings under the single tier tax system is not taxable in Malaysia in the hand of the shareholders.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 October 2019

24. EARNINGS PER SHARE

Basic earnings per share

The basic earnings per share is calculated by dividing the Group's profit for the year, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year. The weighted average number of ordinary shares in issue is calculated as follows:

	Group	
	2019	**2018 (Restated)**
Profit for the year attributable to owners of the Company (RM)	91,283,704	81,753,824
Weighted average number of ordinary shares	460,512,909	410,081,781
Basic earnings per share (sen)	19.82	19.94

Weighted average number of ordinary shares for the year ended 31 October 2018 had been adjusted for the impact of bonus issue during the current year.

Diluted earnings per share

The diluted earnings per share has been calculated by dividing the Group's profit for the year attributable to owners of the Company by the weighted average number of ordinary shares that would have been in issue upon full exercise of the options under ESOS, adjusted for the number of such shares that would have been issued at fair value at the date of the issue of ESOS, calculated as follows:

	Group	
	2019	**2018 (Restated)**
Profit for the year attributable to owners of the Company (RM)	91,283,704	81,753,824
Weighted average number of ordinary shares for basic earnings per share	460,512,909	410,081,781
Assumed shares issued pursuant to ESOS	1,646,625	3,287,714
Adjusted weighted average number of ordinary shares	462,159,534	413,369,495
Diluted earnings per share (sen)	19.75	19.78

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 October 2019

25. 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:

	2019 RM	2018 RM
Group		
Amount charged by a related party for work performed on the maintenance works projects*	4,423,509	4,234,076
Amount charged by a related party for work performed on the environmental engineering projects*	6,162,567	24,875,010
Company		
Dividend received from subsidiaries	(8,000,000)	-
Management fees charged to subsidiaries	(17,200,000)	(17,200,000)
Staff costs reimbursed from a subsidiary	(7,922,553)	(7,400,302)
Amount charged to a subsidiary for work performed on environmental engineering projects	(5,300,000)	(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	2,559,451	91,824
Amounts charged by subsidiaries for work performed on environmental engineering projects	4,015,741	38,102,320
Amounts charged by a subsidiary for work performed on maintenance projects	4,617,745	5,756,145
Staff costs reimbursed by subsidiaries	4,383,994	4,097,053

Outstanding balances in respect of the above transactions are disclosed in Notes 9 and 17 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	
	2019 RM	2018 RM	2019 RM	2018 RM
Short term employee benefits	7,576,004	8,162,756	6,264,754	6,857,900
Defined contribution plan	821,593	895,075	664,243	738,492
Other benefits	4,736	4,736	3,907	3,907
	8,402,333	9,062,567	6,932,904	7,600,299

Included in the key management personnel are directors remuneration as disclosed in Note 22 to the financial statements.

(c) The Company has granted corporate guarantees amounting to RM953,156,000 (2018: RM788,160,000) to financial institutions for securing banking facilities of the subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 October 2019

26. COMMITMENTS

(a) Capital commitments

Capital expenditure as at the reporting date is as follows:

	Group	
	2019	2018
	RM	RM
Approved and contracted for:		
Intangible assets recognised pursuant to IC12 (Note 5(a))	10,241,595	28,077,518

(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	
	2019	2018	2019	2018
	RM	RM	RM	RM
Not later than 1 year	957,329	935,011	16,614	16,614
Later than 1 year but not later than 5 years	2,882,539	2,890,419	29,280	44,640
Later than 5 years	6,714,343	7,373,187	-	-
	10,554,211	11,198,617	45,894	61,254

(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	
	2019	2018
	RM	RM
Minimum lease payments:		
Not later than 1 year	490,805	564,354
Later than 1 year but not later than 2 years	468,216	488,333
Later than 2 years but not later than 5 years	816,021	898,706
Later than 5 years	152,125	72,063
Total minimum lease payments	1,927,167	2,023,456
Less: Amounts representing finance charges	(198,221)	(196,910)
Present value of minimum lease payments	1,728,946	1,826,546

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 October 2019

26. COMMITMENTS (cont'd)

(c) Finance lease commitments (cont'd)

Future minimum lease payments under finance leases together with the present value of the minimum lease payments are as follows (cont'd):

	Group	
	2019 RM	2018 RM
Present value of payments:		
Not later than 1 year	414,615	483,813
Later than 1 year but not later than 2 years	413,664	431,600
Later than 2 years but not later than 5 years	754,198	840,300
Later than 5 years	146,469	70,833
Present value of minimum lease payments	1,728,946	1,826,546
Less: Amount due within 12 months (Note 16)	(414,615)	(483,813)
Amount due after 12 months (Note 16)	1,314,331	1,342,733

27. FINANCIAL INSTRUMENTS

Fair value of financial instruments that are not measured at fair value on recurring basis

The fair value of IMTNs of the Group at the end of the financial year is approximately RM537,000,000 (2018: RM Nil), net of transaction cost.

The fair value (Level 2) of IMTNs is determined using future cash flows discounted at current market profit rates for similar 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.

The carrying amount of other financial assets and liabilities of the Group and the Company at the reporting date approximated or were at their fair values due to the relatively short-term maturity or related interest are at market rate on those financial instruments.

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, cash flow and liquidity risks and interest rate risk.

The Board reviews and agrees with the policies and procedures established for these risks, which are executed by the Chief Financial Officer. The audit committee provides independent oversight to the effectiveness of the risk management process.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 October 2019

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

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 (2018: Nil).

There is no significant change to the Group's exposure to financial risk or the manner in which these risks are managed and measured.

The following sections provide details regarding the Group's and the Company's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from contract assets and trade and other receivables. 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 and the Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group and the Company trade only with recognised and creditworthy third parties. It is the Group's and the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's and the Company's exposure to bad debts is not significant.

<u>Exposure to credit risk</u>

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 RM953,156,000 (2018: RM788,160,000) 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.

<u>Credit risk concentration profile</u>

Trade receivables

At the reporting date, the Group has a significant concentration of credit risk in the form of outstanding balances from five customers (2018: five customers) representing approximately 82% (2018: 85%) of the total trade receivables.

Management concluded that the credit risk in respect of trade receivables is insignificant.

Contract assets

At the reporting date, the Group has a significant concentration of credit risk in the form of contract assets from three customers (2018: three customers) representing approximately 82% (2018: 65%) of the total contract assets.

The credit risk is minimal and low as the contract assets are backed by a formal assignment to the Group of all solar energy sales proceeds collectable from Tenaga Nasional Berhad ("TNB"). This is as disclosed in Note 16 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 October 2019

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(a) Credit risk (cont'd)

Credit risk concentration profile (cont'd)

Contract assets (cont'd)

Management applies simplified approach (i.e. lifetime expected credit losses) in measuring the loss allowance for trade receivables and contract assets. The expected credit losses on trade receivables and contract assets are estimated using a provision matrix by reference to past default experience of the debtors and an analysis of the debtors' current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

Management writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

Amounts due from subsidiaries

At the reporting date, the Company has a significant concentration of credit risk in the form of outstanding balances from two subsidiaries (2018: one subsidiary) representing approximately 99% (2018: 79%) of the total amounts due from subsidiaries.

Management assesses the credit risk of amounts due from subsidiaries with reference to the financial capability and probability of default.

Management concluded that the credit risk in respect of amounts due from subsidiaries is considered low.

(b) Cash flow and liquidity risks

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

Management seeks to ensure all business units maintain optimum levels of liquidity at all times, sufficient for their operating, investing and financing activities. The Group expects to meet its obligations from operating cash flows. Nonetheless, the Group has ready sufficient credit facilities available to meet its liquidity requirements while ensuring effective working capital management within the Group. As at the reporting date, the Group has unused credit facilities that it can be access to meet liquidity needs.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 October 2019

28. 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.

2019	On demand or within one year RM	One to two years RM	Two to five years RM	Over five years RM	Total RM
Group					
Trade and other payables	196,882,444	30,443,234	405,943	-	227,731,621
Loans and borrowings	237,797,722	109,582,559	367,557,071	1,012,545,924	1,727,483,276
Total undiscounted financial liabilities	434,680,166	140,025,793	367,963,014	1,012,545,924	1,955,214,897
Company					
Trade and other payables	235,720,727	-	-	-	235,720,727
Loans and borrowings	20,539,624	-	-	-	20,539,624
Total undiscounted financial liabilities	256,260,351	-	-	-	256,260,351
Financial guarantees contracts*	631,558,000	-	-	-	631,558,000

2018	On demand or within one year RM	One to two years RM	Two to five years RM	Over five years RM	Total 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 2019

28. 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 amounted to RM631,558,000 (2018: RM592,232,000) representing banking facilities utilised by the subsidiaries at the reporting date. The amount represents maximum guarantees which could be recalled. At the reporting date, the 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 future cash flows of the Group's and of the Company's financial instruments will fluctuate because of the changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings at floating interest rates. 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.

<u>Sensitivity analysis for interest rate risk</u>

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 RM949,000 and RM76,000 (2018: RM838,000 and RM90,000) respectively, arising from the outstanding floating rate term loans and borrowings as at the end of the reporting period.

The sensitivity analysis is unrepresentative of the inherent interest rate risk as the year-end exposure does not reflect the exposure during the year.

29. 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.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 October 2019

29. CAPITAL MANAGEMENT (cont'd)

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%.

	Group		Company	
	2019 RM	2018 RM (Restated)	2019 RM	2018 RM
Loans and borrowings (Note 16)	1,173,412,271	609,087,565	20,088,909	23,572,582
Less: Cash and bank balances (Note 12)	(523,648,726)	(91,598,703)	(98,779,429)	(29,373,085)
Net debt/(cash)	649,763,545	517,488,862	(78,690,520)	(5,800,503)
Equity attributable to the owners of the Company, representing total capital	757,183,027	658,808,410	424,250,609	400,872,694
Capital and net debts	1,406,946,572	1,176,297,272	345,560,089	395,072,191
Gearing ratio	46.2%	44.0%	N/A	N/A

30. ACQUISITION OF SUBSIDIARIES

On 16 November 2018, the Company acquired one hundred (100) ordinary shares in Forenergy Sdn. Bhd. ('FSB'), representing the entire issued and paid-up of FSB for a total cash consideration of RM100. Consequently, the Group consolidated FSB as a subsidiary.

In the prior year, 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.

31. 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.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 October 2019

31. SEGMENT ANALYSIS (cont'd)

Business segments

For management purposes, the Group is organised into business units and has the following reportable business segments:

(i)	Environmental engineering	Provision of nature conservation and environmental amelioration for customers and offer environmental engineering and integrated turnkey contract services, management services, planning and design services.
(ii)	Landscaping and infrastructure	Provision of landscape services, project management services and infrastructure developments.
(iii)	Maintenance works	Provision of specialist maintenance works on leachate treatment plants and maintenance of landscape services for public parks, public amenities and other landscape developments.
(iv)	Green tech & renewable energy	Engage in renewable energy businesses.

The directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

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 %
2019			
Revenue	3	264,127,756	70%
2018			
Revenue	3	176,929,100	50%

The ultimate customer of these three customers is TNB. They have each signed a 21 year Power Purchase Agreements with TNB.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 October 2019

31. SEGMENT ANALYSIS (cont'd)

The following table provides an analysis of the Group's revenue, results, assets and liabilities by business segments:

2019	Environmental engineering RM	Landscaping & infrastructure RM	Maintenance works RM	Green tech & renewable energy RM	Total RM
Revenue					
Total revenue	637,431,835	89,555,172	9,748,571	59,020,365	795,755,943
Inter-segment revenue	(359,326,091)	(55,072,918)	(4,617,744)	-	(419,016,753)
Revenue from external customers	278,105,744	34,482,254	5,130,827	59,020,365	376,739,190
Results					
Adjusted earnings before interest, taxes, depreciation and amortisation ("EBITDA")	89,596,595	10,071,985	1,662,344	42,233,161	143,564,085
Amortisation of intangible assets	(3,647,725)	-	-	-	(3,647,725)
Depreciation	(798,992)	-	-	(12,793,586)	(13,592,578)
Interest income	2,350,074	606,571	-	159,769	3,116,414
Finance Income - financial instrument at amortised cost	1,176,273	-	-	-	1,176,273
Finance costs	(4,207,607)	(422,200)	-	(7,416,595)	(12,046,402)
Share of results of an associate	-	-	-	13,245	13,245
Profit before tax	84,468,618	10,256,356	1,662,344	22,195,994	118,583,312
Tax expense					(27,301,065)
Profit net of tax					91,282,247
Segment assets	1,775,144,432	148,980,320	1,035,410	250,273,676	2,175,433,838
Included in the measure of segment assets is:					
Additions to non-current assets other than financial instruments and deferred tax assets					
- Plant and equipment	744,047	-	-	371,939	1,115,986
- Intangible assets	54,990,026	-	-	-	54,990,026
	55,734,072	-	-	371,939	56,106,012
Segment liabilities	1,202,979,433	102,982,257	867,972	111,424,899	1,418,254,561

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 October 2019

31. SEGMENT ANALYSIS (cont'd)

The following table provides an analysis of the Group's revenue, results, assets and liabilities by business segments (cont'd):

2018	Environmental engineering RM (Restated)	Landscaping & infrastructure RM	Maintenance works RM	Green tech & renewable energy RM	Total RM (Restated)
Revenue					
Total revenue	550,507,511	102,992,622	12,351,863	48,784,125	714,636,121
Inter-segment revenue	(290,527,385)	(65,534,179)	(5,756,146)	-	(361,817,710)
Revenue from external customers	259,980,126	37,458,443	6,595,717	48,784,125	352,818,411
Results					
Adjusted earnings before interest, taxes, depreciation and amortisation ("EBITDA")	74,551,797	10,790,154	2,283,783	36,600,468	124,226,202
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 Income - financial instrument at amortised cost	1,243,176	-	-	-	1,243,176
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	71,035,336	11,274,642	2,283,783	15,799,295	100,393,056
Tax expense					(18,640,452)
Profit net of tax					81,752,604
Segment assets	1,107,638,415	155,389,241	2,930,140	262,508,391	1,528,466,187
Included in the measure of segment assets is:					
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	629,490,008	109,433,459	1,770,958	128,965,645	869,660,070

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 October 2019

32. DIVIDENDS

	Group and Company	
	2019	2018
	RM	RM
In respect of the year ended 31 October 2018:		
- a single-tier interim dividend of 3.9 sen per share	17,873,000	-
In respect of financial year ended 31 October 2017:		
- a single tier final dividend of 5.6 sen per share	-	14,831,246
	17,873,000	14,831,246

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

33. SUBSEQUENT EVENT

On 30 December 2019, the Company offered and granted 33,800,000 units of shares option under the existing ESOS scheme to the eligible directors and employees with an exercise price of RM1.24.

34. ADOPTION OF NEW STANDARDS

MFRS 9 Financial Instruments

In the current year, the Group and the Company applied MFRS 9 for the first time. The Group and the Company applied the standard retrospectively on 1 November 2018 according to the transitional provisions.

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 generally.

The adoption of MFRS 9 did not have significant impact to the Group and the Company.

MFRS 15 Revenue from Contracts with Customers

In the current year, the Group and the Company applied MFRS 15 for the first time. The Group and the Company applied the standard retrospectively on 1 November 2018 according to the transitional provisions.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 October 2019

34. ADOPTION OF NEW STANDARDS (cont'd)

MFRS 15 Revenue from Contracts with Customers (cont'd)

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 resulted in difference in timing of revenue recognition as compared with MFRS 118.

Significant impact upon adoption of MFRS 15 are summarised below:

Group

Impact on Consolidated Statement of Financial Position as at 1 November 2017

	Reported previously RM	Effects of adoption of MFRS 15 RM	Restated RM
Contract assets	-	161,003,827	161,003,827
Trade and other receivables	263,699,556	(161,003,827)	102,695,729

Impact on Consolidated Statement of Financial Position as at 31 October 2018

	Reported previously RM	Effects of adoption of MFRS 15 RM	Restated RM
Contract assets	-	294,873,580	294,873,580
Trade and other receivables	379,462,043	(279,939,900)	99,522,143
TOTAL ASSETS	1,513,532,507	14,933,680	1,528,466,187
Retained earnings	306,302,250	11,349,680	317,651,930
Deferred tax liabilities	11,000	3,584,000	3,595,000
TOTAL EQUITY AND LIABILITIES	1,513,532,507	14,933,680	1,528,466,187

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 October 2019

34. ADOPTION OF NEW STANDARDS (cont'd)

MFRS 15 Revenue from Contracts with Customers (cont'd)

Group (cont'd)

Impact on Consolidated Statement of Comprehensive Income for the Year Ended 31 October 2018

	Reported previously RM	Effects of adoption of MFRS 15 RM	Restated RM
Revenue	337,884,731	14,933,680	352,818,411
Tax expense	(15,056,452)	(3,584,000)	(18,640,452)
Profit for the year	70,402,924	11,349,680	81,752,604
Total comprehensive income	70,402,924	11,349,680	81,752,604
Profit for the year attributable to:			
Owners of the Company	70,404,144	11,349,680	81,753,824
Non-controlling interest	(1,220)	-	(1,220)
Total comprehensive income for the year attributable to:			
Owners of the Company	70,404,144	11,349,680	81,753,824
Non-controlling interest	(1,220)	-	(1,220)

Impact on Consolidated Statement of Cash Flows for the Year Ended 31 October 2018

	Reported previously RM	Effects of adoption of MFRS 15 RM	Restated RM
Profit before tax	85,459,376	14,933,680	100,393,056
Changes in contract assets	-	(133,869,753)	(133,869,753)
Changes in receivables	(117,975,392)	118,936,073	960,681

Company

Impact on Statement of Financial Position as at 1 November 2017

	Reported previously RM	Effects of adoption of MFRS 15 RM	Restated RM
Contract assets	-	127,519,670	127,519,670
Trade and other receivables	452,097,373	(127,519,670)	324,577,703

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 October 2019

34. ADOPTION OF NEW STANDARDS (cont'd)

MFRS 15 Revenue from Contracts with Customers (cont'd)

Company (cont'd)

Impact on Statement of Financial Position as at 31 October 2018

	Reported previously RM	Effects of adoption of MFRS 15 RM	Restated RM
Contract assets	-	98,091,257	98,091,257
Trade and other receivables	453,305,006	(98,091,257)	355,213,749

Impact on Statement of Cash Flows for the Year Ended 31 October 2018

	Reported previously RM	Effects of adoption of MFRS 15 RM	Restated RM
Changes in contract assets	-	29,428,413	29,428,413
Changes in receivables	46,140,884	(29,428,413)	16,712,471

35. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on 16 January 2020 by the board of directors.

STATEMENT BY DIRECTORS AND STATUTORY DECLARATION

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 77 to 152 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 2019 and financial performance and cash flows of the Group and of the Company for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the board of directors in accordance with a directors' resolution.

TAN SRI RAZALI BIN ISMAIL
Director

DATO' DAUD BIN AHMAD
Director

Kuala Lumpur

Date: 16 January 2020

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 77 to 152 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 16 January 2020) **DATO' DAUD BIN AHMAD**

Before me:

ANALYSIS OF SHAREHOLDINGS

As at 22 January 2020

Class of equity security	:	Ordinary shares
Voting rights	:	One vote per ordinary share
Total number of issued shares	:	467,441,453

ANALYSIS OF SHAREHOLDINGS

Ordinary shares

Size of Shareholdings	No. of Shareholders	%	No. of Shares Held	%
1 – 99	70	1.68	2,003	0.00
100 – 1,000	569	13.65	358,946	0.08
1,001 – 10,000	2,399	57.56	11,075,357	2.37
10,001 – 100,000	921	22.10	27,363,449	5.85
100,001 – 23,372,071 (*)	206	4.94	346,411,544	74.11
23,372,072 and above (**)	3	0.07	82,230,154	17.59
TOTAL	**4,168**	**100.00**	**467,441,453**	**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 22 January 2020 are as follows:-

Ordinary Shares

	Direct Interest		Indirect Interest	
Substantial shareholders' name	**Number of Shares**	**%**	**Number of Shares**	**%**
Tan Sri Razali bin Ismail	53,942,170	11.54	-	-
Dato' Daud bin Ahmad	71,801,984	15.36	-	-
Employees Provident Fund Board	33,745,750	7.22	-	-
Amanahraya Trustees Berhad – Amanah Saham Bumiputera	27,730,300	5.93	-	-

DIRECTORS' INTERESTS

The Directors' interests based on the Register of Directors' shareholdings of the Company as at 22 January 2020 are as follows:-

Ordinary shares

	Direct Interest		Indirect Interest	
Directors	**Number of Shares**	**%**	**Number of Shares**	**%**
Tan Sri Razali bin Ismail	53,942,170	11.54	-	-
Dato' Daud bin Ahmad (*also the Group Chief Executive Officer*)	71,801,984	15.36	-	-
Dato' Dr. Freezailah bin Che Yeom	290,900	0.06	-	-
Datuk Abdul Malek bin Abdul Aziz	142,400	0.03	-	-
Headir bin Mahfidz	161,650	0.03	-	-
Megat Abdul Munir bin Megat Abdullah Rafaie	30,800	0.01	-	-

ANALYSIS OF SHAREHOLDINGS

As at 22 January 2020

DIRECTORS' INTERESTS (cont'd)

Employees' Share Options Scheme

Directors	Number of Options	%
Tan Sri Razali bin Ismail	3,000,000	0.64
Dato' Daud bin Ahmad (*also the Group Chief Executive Officer*)	6,525,000	1.40
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. *Pledged Securities Account for Dato' Daud bin Ahmad*	28,839,584	6.17
2.	Amanahraya Trustees Berhad *Amanah Saham Bumiputera*	27,730,300	5.93
3.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Tan Sri Razali bin Ismail (8095427)*	25,660,270	5.49
4.	Maybank Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Tan Sri Razali bin Ismail*	20,026,600	4.28
5.	Lembaga Tabung Haji *Lembaga Tabung Haji, Bahagian Pemerosesan Pelaburan*	20,000,000	4.28
6.	Amanahraya Trustees Berhad *Public Smallcap Fund*	16,861,800	3.61
7.	Permodalan Nasional Berhad *Investment Processing Department*	14,470,000	3.10
8.	Citigroup Nominees (Tempatan) Sdn. Bhd. *Employees Provident Fund Board*	14,070,650	3.01
9.	RHB Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Dato' Daud Bin Ahmad*	13,896,750	2.97
10.	CIMSEC Nominees (Tempatan) Sdn. Bhd *CIMB Bank for Azmil Khalili bin Khalid (PBCL-0G0018)*	12,587,484	2.69
11.	Amanahraya Trustees Berhad *Public Strategic Smallcap Fund*	11,563,250	2.47
12.	Citigroup Nominees (Tempatan) Sdn. Bhd. *Employees Provident Fund Board (CIMB PRIN)*	11,441,400	2.45
13.	Maybank Securities Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Dato' Daud bin Ahmad (Margin)*	8,975,900	1.92

ANALYSIS OF SHAREHOLDINGS
As at 22 January 2020

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS (cont'd)

Ordinary shares (cont'd)

No.	Shareholders	No. of Shares	%
14.	Maybank Nominees (Tempatan) Sdn. Bhd. *MTrustee Berhad for Principal Dali Equity Growth Fund (UT-CIMB-DALI) (419455)*	8,872,250	1.90
15.	TA Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Dato' Daud bin Ahmad*	8,426,300	1.80
16.	Public Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Tan Sri Razali bin Ismail (KLC)*	8,092,350	1.73
17.	RHB Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Dato' Daud Bin Ahmad*	7,624,900	1.63
18.	CIMSEC Nominees (Tempatan) Sdn. Bhd. *CIMB for Koo Kow Kiang @ Ko Keck Ting (PB)*	7,545,000	1.61
19.	Citigroup Nominees (Tempatan) Sdn. Bhd. *Great Eastern Life Assurance (Malaysia) Berhad (LPF)*	6,485,000	1.39
20.	Citigroup Nominees (Tempatan) Sdn. Bhd. *Kumpulan Wang Persaraan (Diperbadankan) (Principal Equities)*	5,903,400	1.26
21.	HSBC Nominees (Tempatan) Sdn. Bhd. *HSBC (M) Trustee Bhd for Allianz Life Insurance Malaysia Berhad (MEF)*	5,670,300	1.21
22.	Citigroup Nominees (Asing) Sdn. Bhd. *Exempt an for Citibank New York (Norges Bank 1)*	5,477,329	1.17
23.	HSBC Nominees (Tempatan) Sdn. Bhd. *HSBC (M) Trustee Bhd for Principal Dali Opportunities Fund*	5,376,150	1.15
24.	Cartaban Nominees (Tempatan) Sdn. Bhd. *PBTB for Takafulink Dana Ekuiti*	5,073,050	1.09
25.	Amanahraya Trustees Berhad *PB Smallcap Growth Fund*	4,738,200	1.01
26.	Citigroup Nominees (Tempatan) Sdn. Bhd. *Kumpulan Wang Persaraan (Diperbadankan) (MIDF ABSR EQ)*	4,070,300	0.87
27.	Citigroup Nominees (Tempatan) Sdn. Bhd. *Great Eastern Life Assurance (Malaysia) Berhad (LBF)*	3,828,750	0.82
28.	HSBC Nominees (Tempatan) Sdn. Bhd. *HSBC (M) Trustee Bhd for Pertubuhan Keselamatan Sosial (CIMB-P 6939-404)*	3,719,100	0.80
29.	Cartaban Nominees (Tempatan) Sdn. Bhd. *PAMB for Prulink Dana Unggul*	3,663,400	0.78
30.	Citigroup Nominees (Tempatan) Sdn. Bhd. *Great Eastern Life Assurance (Malaysia) Berhad (DR)*	3,641,950	0.78
	TOTAL	**324,331,717**	**69.38**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifteenth Annual General Meeting ("**15th 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 Thursday, 9 April 2020 at 10:00 a.m. for the following purposes:-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 October 2019 together with the Reports of the Directors and the Auditors thereon. (Please refer to Note 7)

2. To approve the payment of Directors' fees for the financial year ending 31 October 2020 and thereafter. (Resolution 1)

3. To re-elect the following Directors who are due to retire in accordance with Clause 119 of the Company's Constitution and being eligible, have offered themselves for re-election:-

   (a) Dato' Daud Bin Ahmad; and (Resolution 2)

   (b) Encik Headir Bin Mahfidz. (Resolution 3)

4. 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 4)

As Special Business
To consider and if thought fit, with or without any modification, to pass the following Ordinary Resolutions:-

5. **ORDINARY RESOLUTION NO. 1** (Resolution 5)
   - RETENTION OF DATO' DR. FREEZAILAH BIN CHE YEOM AS AN INDEPENDENT DIRECTOR (Please refer to Note 8 (i))

   "**THAT** Dato' Dr. Freezailah Bin Che Yeom who has served as an Independent Director of the Company for a cumulative term of more than nine years since 8 June 2010, be and is hereby retained as an Independent Director of the Company."

6. **ORDINARY RESOLUTION NO. 2** (Resolution 6)
   - RETENTION OF ENCIK HEADIR BIN MAHFIDZ AS AN INDEPENDENT DIRECTOR (Please refer to Note 8 (ii))

   "**THAT** subject to the passing of Resolution 3, Encik Headir Bin Mahfidz who has served as an Independent Director of the Company for a cumulative term of more than nine years since 7 September 2010, be and is hereby retained as an Independent Director of the Company."

7. **ORDINARY RESOLUTION NO. 3** (Resolution 7)
   - PROPOSED RENEWAL OF EXISTING SHAREHOLDER MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (Please refer to Note 8 (iii))

   "**THAT** subject to the provisions of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, approval be and is hereby given for the Proposed Renewal of Existing Shareholder Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature for the Company and/or its subsidiaries to enter into and to give effect to the category of the recurrent related party transactions of a revenue or trading nature from time to time with the Related Party as specified in Section 1.4 of the Circular/Statement to Shareholders dated 28 February 2020 provided that such transactions are:-

NOTICE OF ANNUAL GENERAL MEETING

(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."

8. **ORDINARY RESOLUTION NO. 4** (Resolution 8)
- PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK (Please refer to Note 8 (iv))

"**THAT** subject to the Companies Act 2016, Bursa Malaysia Securities Berhad ("**Bursa Securities**") Main Market Listing Requirement, the Constitution of the Company, and all other applicable laws, rules and regulations, be and is hereby given to the Company to purchase such number of ordinary shares as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit, necessary and expedient in the interest of the Company ("**Proposed Share Buy-Back**"), provided that:-

(a) the aggregate number of ordinary shares to be purchased by the Company shall not exceed 10% of the total number of issued shares of the Company at any point in time; and

(b) the maximum fund to be allocated by the Company for the purpose of purchasing its ordinary shares shall not exceed the total retained profits of the Company based on the latest audited financial statements and/or the latest unaudited financial statements (where applicable) available at the time of the purchase.

THAT the authority conferred by this resolution shall continue to be in force until:

NOTICE OF ANNUAL GENERAL MEETING

(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."

9. **ORDINARY RESOLUTION NO. 5** (Resolution 9)
- AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016 (Please refer to Note 8 (v))

"**THAT** subject always to the Companies Act 2016 ("**the Act**"), the Constitution of the Company and the approvals from Bursa Malaysia Securities Berhad ("**Bursa Securities**") and any other relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered pursuant to the Act, to issue and allot shares in the capital of the Company from time to time at such price and upon such terms and conditions, for such purposes and to such person or persons whomsoever the Directors may in their absolute discretion deem fit provided always that the aggregate number of shares issued pursuant to this resolution does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being;

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."

NOTICE OF ANNUAL GENERAL MEETING

10. **ORDINARY RESOLUTION NO. 6** (Resolution 10)
- PROPOSED RENEWAL OF THE AUTHORITY TO ALLOT AND ISSUE NEW ORDINARY SHARES IN CYPARK RESOURCES BERHAD ("CRB" OR "THE COMPANY") ("CRB SHARES"), FOR THE PURPOSE OF THE DIVIDEND REINVESTMENT SCHEME ("DRS") OF THE COMPANY WHICH WILL PROVIDE THE SHAREHOLDERS OF CRB WITH THE OPTION TO ELECT TO REINVEST THEIR CASH DIVIDEND IN CRB SHARES ("PROPOSED RENEWAL OF DRS AUTHORITY") (Please refer to Note 8 (vi))

"**THAT** pursuant to the DRS as approved by the Shareholders at the Tenth Annual General Meeting of the Company held on 21 April 2015 and subject to the approval of the relevant regulatory authorities (if any), approval be and is hereby given to the Directors to allot and issue such number of new CRB Shares from time to time as may be required to be allotted and issued pursuant to the DRS until the conclusion of the next Annual General Meeting upon such terms and conditions as stated in Circular to Shareholders dated 30 March 2015, **PROVIDED THAT** the issue price of the said new CRB Shares shall be fixed by the Board of Directors at not more than ten percent (10%) discount to the five (5)-market day volume weighted average market price ("**VWAP**") of CRB Shares immediately preceding the price-fixing date, of which the VWAP shall be adjusted ex-dividend before applying the said discount in fixing the issue price;

AND THAT the Directors of the Company be and are hereby authorised to do all such acts and enter into all such transactions, arrangements and documents as may be necessary or expedient in order to give full effect to the DRS with full power to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed or agreed to by any relevant authorities or consequent upon the implementation of the said conditions, modifications, variations and/or amendments or at the discretion of the Directors in the best interest of the Company."

11. To transact any other ordinary business of which due notice shall have been given.

By Order of the Board

CHUA SIEW CHUAN (MAICSA 0777689) / SSM PC NO.: 201908002648
YEOW SZE MIN (MAICSA 7065735) / SSM PC NO.: 201908003120
Company Secretaries
Kuala Lumpur

Dated: 28 February 2020

NOTES:

1. In respect of deposited securities, only members/shareholders whose names appear in the Record of Depositors on 2 April 2020 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, participate, speak 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, participate, speak and vote at the Meeting shall have the same rights as the shareholder to speak at the Meeting.

NOTICE OF ANNUAL GENERAL MEETING

4. The instrument appointing a proxy shall be in writing under the hand of the shareholder/appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under Common Seal or under the hand of an officer or attorney duly authorised.

5. Where a shareholder of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("**SICDA**") which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

6. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarised certified copy of that power or authority, shall be deposited at the Registered Office of the Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than forty-eight (48) hours before the time for holding the Meeting or adjournment thereof. All resolutions set out in the Notice of the Meeting are to be voted by poll.

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. <u>Explanatory Note to Special Business:</u>

   (i) **Resolution 5 – Retention of Dato' Dr. Freezailah Bin Che Yeom as an Independent Director**

   Dato' Dr. Freezailah Bin Che Yeom ("**Dato' Dr. Freezailah**") was appointed as an Independent Director of the Company on 8 June 2010 and has served the Board for a cumulative term of more than nine years since 8 June 2010. The Board of Directors of the Company through its Nomination Committee, after having assessed the independence of Dato' Dr. Freezailah, still regards him to be independent based amongst others, the following justifications, and recommends that Dato' Dr. Freezailah be retained as an Independent Director of the Company subject to the approval from the shareholders of the Company pursuant to Practice 4.2 of the Malaysian Code on Corporate Governance:-

   (a) Dato' Dr. Freezailah has fulfilled the definition of an independent director as set out under Paragraph 1.01 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements :
   - is not an executive director of the Company or any related corporation (each corporation is referred to as "**said Corporation**");
   - has not been within the last 2 years and is not an officer (except as a non-executive director) of the said Corporation. ["**officer**" has the meaning given in section 2 of the Companies Act 2016];
   - is not a major shareholder of the said Corporation;
   - is not a family member of any executive director, officer or major shareholder of the said Corporation;
   - is not acting as a nominee or representative of any executive director or major shareholder of the said Corporation;
   - has not been engaged as an adviser by the said Corporation under such circumstances as prescribed by Bursa Malaysia Securities Berhad ("**the Exchange**") or is not presently a partner, director (except as an independent director) or major shareholder, as the case may be, of a firm or corporation which provides professional advisory services to the said Corporation under such circumstances as prescribed by the Exchange; or has not engaged in any transaction with the said Corporation under such circumstances as prescribed by the Exchange or is not presently a partner, director or major shareholder, as the case may be, of a firm or corporation (other than subsidiaries of the applicant or listed issuer) which has engaged in any transaction with the said Corporation under such circumstances as prescribed by the Exchange;
   - is not a director who is accepting compensation from the said Corporation, other than compensation for board service for the current or immediate financial year; or
   - is not having a relationship which would interfere with the exercise of independent judgement in carrying out the functions as a director or a member of the Audit Committee, Nomination Committee and Risk Management Committee.

NOTICE OF ANNUAL GENERAL MEETING

(b) Dato' Dr. Freezailah has not been involved in any business or other relationship which could hinder the exercise of independent judgement, objectivity or his ability to act in the best interests of the Company;

(c) Dato' Dr. Freezailah has no potential conflict of interest, whether business or non-business related with the Company;

(d) Dato' Dr. Freezailah has not established or maintained any significant personal or social relationship, whether direct or indirect, with the Executive Chairman, Group Chief Executive Officer, major shareholders or management of the Company (including their family members) other than normal engagements and interactions on a professional level consistent with his duties and expected of him to carry out his duties as an independent director; and

(e) Dato' Dr. Freezailah does not derive any remuneration and other benefits apart from Directors' fees that are approved by shareholders.

(ii) **Resolution 6 – Retention of Encik Headir Bin Mahfidz as an Independent Director**

Encik Headir Bin Mahfidz ("**Encik Headir**") was appointed as an Independent Director of the Company on 7 September 2010 and has served the Board for a cumulative term of more than nine years since 7 September 2010. The Board of Directors of the Company through its Nomination Committee, after having assessed the independence of Encik Headir, still regards him to be independent based amongst others, the following justifications, and recommends that Encik Headir be retained as an Independent Director of the Company subject to the approval from the shareholders of the Company pursuant to Practice 4.2 of the Malaysian Code on Corporate Governance:-

(a) Encik Headir has fulfilled the definition of an independent director as set out under Paragraph 1.01 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements :

- is not an executive director of the Company or any related corporation (each corporation is referred to as "**said Corporation**");
- has not been within the last 2 years and is not an officer (except as a non-executive director) of the said Corporation. ["**officer**" has the meaning given in section 2 of the Companies Act 2016];
- is not a major shareholder of the said Corporation;
- is not a family member of any executive director, officer or major shareholder of the said Corporation;
- is not acting as a nominee or representative of any executive director or major shareholder of the said Corporation;
- has not been engaged as an adviser by the said Corporation under such circumstances as prescribed by Bursa Malaysia Securities Berhad ("**the Exchange**") or is not presently a partner, director (except as an independent director) or major shareholder, as the case may be, of a firm or corporation which provides professional advisory services to the said Corporation under such circumstances as prescribed by the Exchange; or has not engaged in any transaction with the said Corporation under such circumstances as prescribed by the Exchange or is not presently a partner, director or major shareholder, as the case may be, of a firm or corporation (other than subsidiaries of the applicant or listed issuer) which has engaged in any transaction with the said Corporation under such circumstances as prescribed by the Exchange;
- is not a director who is accepting compensation from the said Corporation, other than compensation for board service for the current or immediate financial year; or
- is not having a relationship which would interfere with the exercise of independent judgement in carrying out the functions as a director or a member of the Audit Committee, Nomination Committee and Risk Management Committee.

(b) Encik Headir has not been involved in any business or other relationship which could hinder the exercise of independent judgement, objectivity or his ability to act in the best interests of the Company;

NOTICE OF ANNUAL GENERAL MEETING

(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.

(iii) **Resolution 7 – Proposed Shareholder Mandate**

The proposed Resolution 7 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 2020 for further information.

(iv) **Resolution 8 – Proposed Authority for the Company to Purchase Its Own Shares**

The proposed Resolution 8 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 2020 for further information.

(v) **Resolution 9 – Authority to Issue Shares**

The proposed Resolution 9 is intended to renew the authority granted to the Directors of the Company at the Fourteenth Annual General Meeting of the Company held on 9 April 2019 ("**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 have been issued as at the date of this Notice, with a total proceeds of RM63,468,060/-.

The details of the utilisation of proceeds from the abovementioned corporate exercise are as follows:-

Purpose	**Proposed Utilisation**	**Actual Utilisation**	**Intended Timeframe for Utilisation**	**Balance**		**Explanations**
	RM	**RM**		**RM**	**%**	
Working capital requirements	62,993,197	62,993,197	18 months	NIL	NIL	Fully utilised.
Expenses	474,863	474,863	-	-	-	Fully utilised.
	63,468,060	63,468,060				

NOTICE OF ANNUAL GENERAL MEETING

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 10 – Proposed Renewal of DRS Authority**

The proposed Resolution 10, if approved, will give authority to the Directors to allot and issue new CRB Shares under the DRS, until the conclusion of the next Annual General Meeting. A renewal of this authority will be sought at subsequent Annual General Meetings.

Personal Data Privacy:
By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, participate, speak and vote at the 15th 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.

Form of Proxy

CYPARK RESOURCES BERHAD
[Registration No. 200401004491 (642994-H)]
(Incorporated in Malaysia)

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 Fifteenth 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 9 April 2020 at 10:00 a.m. and at any adjournment thereof.

Please indicate with an "X" in the spaces provided below as to how you wish your votes to be casted. If no specific direction as to voting is given, the proxy will vote or abstain from voting at *his/her discretion.

Item	Agenda	Resolution	For	Against
1.	To receive the Audited Financial Statements for the financial year ended 31 October 2019 together with the Reports of the Directors and the Auditors thereon.			
2.	To approve the payment of Directors' fees for the financial year ending 31 October 2020 and thereafter.	1		
3.	To re-elect Dato' Daud Bin Ahmad, who is due to retire in accordance with Clause 119 of the Company's Constitution and being eligible, has offered himself for re-election.	2		
4.	To re-elect Encik Headir Bin Mahfidz, who is due to retire in accordance with Clause 119 of the Company's Constitution and being eligible, has offered himself for re-election.	3		
5.	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.	4		
Special Business				
6.	To retain Dato' Dr. Freezailah Bin Che Yeom as an Independent Director of the Company.	5		
7.	To retain Encik Headir bin Mahfidz as an Independent Director of the Company.	6		
8.	Proposed Renewal of Existing Shareholder Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.	7		
9.	Proposed Renewal of Authority for Share Buy-Back.	8		
10.	Authority to Issue Shares pursuant to the Companies Act 2016.	9		
11.	Proposed Renewal of Authority to Issue Shares pursuant to the Dividend Reinvestment Scheme.	10		

As witness my/our hand(s) this day _________ of _________________, 2020.

* Strike out whichever not applicable

*Signature/Common Seal of Member

Notes:-

1. In respect of deposited securities, only members/shareholders whose names appear in the Record of Depositors on 2 April 2020 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, participate, speak 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, participate, speak 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 shareholder/appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under Common Seal or under the hand of an officer or attorney duly authorised.
5. Where a shareholder of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("**SICDA**") which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
6. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarised certified copy of that power or authority, shall be deposited at the Registered Office of the Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than forty-eight (48) hours before the time for holding the Meeting or 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
[200401004491 (642994-H)]
c/o Securities Services (Holdings) Sdn Bhd
[197701005827 (36869-T)]

Level 7, Menara Milenium, Jalan Damanlela
Pusat Bandar Damansara, Damansara Heights
50490 Kuala Lumpur

FOLD HERE

Cypark

CYPARK RESOURCES BERHAD
[200401004491 (642994-H)]

Unit 13A-09, Block A, Phileo Damansara II,
No.15, Jalan 16/11, 46350 Petaling Jaya, Selangor,
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