

Arbitration - Cypark Resources Berhad v. the Government of Malaysia

Claimant	:	Cypark Resources Berhad (“CRB” or “the Company”)
Respondents	:	1. The Government of Malaysia 2. Kementerian Perumahan dan Kerajaan Tempatan (“KPKT”) 3. Jabatan Pengurusan Sisa Pepejal Negara (“JPSPN”) 4. Ketua Pengarah of JPSPN (collectively known as the “ Government of Malaysia ”)
Contract	:	Projek Penutupan Selamat dan Pemulihan 16 Tapak Pelupusan Sisa Pepejal di Semenanjung Malaysia
Original Contract Sum	:	RM 483,077,120.00

Reference is made to the Company's announcement dated 8 June 2023. Unless otherwise stated, the terms stated herein shall have the same meaning as defined in the earlier announcement.

The Board of Directors of the Company wishes to provide additional information and clarification related to the Arbitration.

The Arbitration is related to the project “Projek Penutupan Selamat dan Pemulihan 16 Tapak Pelupusan Sisa Pepejal di Semenanjung Malaysia”, whereby on 20.09.2018, JPSPN issued the Certificate of Practical Completion (“**CPC**”) certifying the completion of the whole contract works on 23.12.2015. All 16 sites under the Contract have been handed over to the Government of Malaysia.

The Company had submitted notices and finalised claim for Loss and Expenses dated 03.01.2022 to the Government of Malaysia but there was no response from the Respondents.

Premised on the above, the Company filed a Notice of Arbitration against the Respondents jointly and severally for Loss and Expenses for the Extensions of Time Period amounting to RM61,339,616.73.

In this regard, the Company has informed the Government of Malaysia that the arbitration proceeding will have to commence to protect the Company's interest as the claim is subject to the statutory limitation period in which the Company will lose its right to make claim from the Respondents beyond six (6) years. Notwithstanding the arbitration process, the Company is pursuing an amicable settlement with the Government of Malaysia and in the event that an amicable settlement is reached between the parties, the Company will withdraw the aforementioned proceeding.

C. Estimate of the Financial Exposure to Liabilities

The Arbitration is not expected to have any operational impact on the Company. At the same time, if the outcome of the Arbitration is in favor of the Company, it is expected to enhance the Company's cash flow position.

However, if the outcome of the Arbitration is not in favour of the Company, the carrying value of the contract assets related to this project may be subject to impairment.

This announcement is dated 12 June 2023.