

**CYPARK RESOURCES BERHAD**  
(Company No: 642994-H)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JANUARY 2011**

**Unaudited Condensed Consolidated Statements of Comprehensive Income**  
**For the First Quarter ended 31 January 2011**

	<u>Individual Quarter</u>		<u>Cumulative Period</u>	
	<u>Current Year</u> <u>Quarter</u> <u>31 January 2011</u> <u>RM</u>	<u>Preceding Year</u> <u>Quarter (Note 2)</u> <u>31 January 2010</u> <u>RM</u>	<u>Current Year</u> <u>To Date</u> <u>31 January 2011</u> <u>RM</u>	<u>Preceding Year</u> <u>To Date (Note 2)</u> <u>31 January 2010</u> <u>RM</u>
<b>Revenue</b>	42,608,060	N/A	42,608,060	N/A
Cost of sales	(31,456,859)	N/A	(31,456,859)	N/A
<b>Gross profit</b>	11,151,201	N/A	11,151,201	N/A
Other income	459,634	N/A	459,634	N/A
Administrative expenses	(1,682,819)	N/A	(1,682,819)	N/A
<b>Operating profit</b>	9,928,016	N/A	9,928,016	N/A
Finance costs	(1,648,387)	N/A	(1,648,387)	N/A
<b>Profit before tax</b>	8,279,629	N/A	8,279,629	N/A
Income tax expense	(2,080,418)	N/A	(2,080,418)	N/A
<b>Profit after tax</b>	6,199,211	N/A	6,199,211	N/A
Other Comprehensive Income				
Net fair value gain on financial assets / financial liabilities	351,778	N/A	351,778	N/A
<b>Total comprehensive income</b> <b>for the period</b>	<b>6,550,989</b>	<b>N/A</b>	<b>6,550,989</b>	<b>N/A</b>
<b>Total comprehensive income attributable</b> <b>to equity holders of the Company</b>	<b>6,550,989</b>	<b>N/A</b>	<b>6,550,989</b>	<b>N/A</b>
Earnings per share attributable to equity holders of the Company				
- Basic (Note 3)	0.05	N/A	0.05	N/A
- Diluted	0.05	N/A	0.05	N/A

**Notes**

- (1) The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Proforma Consolidated Information and the Accountants' Report for the period ended 31 March 2010 as disclosed in the Prospectus of the Company dated 28 September 2010 and the accompanying notes attached to this interim financial statements.
- (2) This is the first year interim financial report on the consolidated results of the Company and its subsidiaries announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. As such, there are no comparative figures for the preceding year's corresponding quarter and period.
- (3) Based on the issued share capital of 145,000,000 shares after the completion of the initial Public Offering (as detailed in note B8).

**CYPARK RESOURCES BERHAD**  
(Company No: 642994-H)

**Unaudited Condensed Consolidated Statements of Financial Position**  
**As at 31 January 2011**

	Unaudited As At 31 January 2011 RM	Unaudited As At 31 January 2010 RM
<b>Assets</b>		
<b>Non-current assets</b>		
Plant and equipment	1,784,379	N/A
Intangible assets	127,316	N/A
Other investments	480,000	N/A
Deferred tax assets	75,099	N/A
	<u>2,466,794</u>	<u>N/A</u>
<b>Current assets</b>		
Trade receivables	178,944,044	N/A
Other receivables	2,695,011	N/A
Cash and cash equivalents	70,750,397	N/A
	<u>252,389,453</u>	<u>N/A</u>
<b>Total assets</b>	<u>254,856,247</u>	<u>N/A</u>
<b>Equity and liabilities</b>		
<b>Equity attributable to equity holders of the company</b>		
Share capital	72,500,000	N/A
Share premium	15,131,019	N/A
Foreign exchange reserve	(133,889)	N/A
Foreign statutory reserve	83,780	N/A
Reverse acquisition reserve	(36,700,000)	N/A
Retained earnings	43,447,573	N/A
<b>Total equity</b>	<u>94,328,484</u>	<u>N/A</u>
<b>Non-current liabilities</b>		
Borrowings	1,479,212	N/A
Deferred tax liabilities	6,389	N/A
	<u>1,485,601</u>	<u>N/A</u>
<b>Current liabilities</b>		
Trade payables	35,297,423	N/A
Other payables	30,124,923	N/A
Borrowings	84,219,744	N/A
Tax payables	9,400,071	N/A
	<u>159,042,162</u>	<u>N/A</u>
<b>Total liabilities</b>	<u>160,527,763</u>	<u>N/A</u>
<b>Total equity and liabilities</b>	<u>254,856,247</u>	<u>N/A</u>
Net assets per share attributable to ordinary equity holders of the Company (RM) (Note 3)	0.65	N/A

**Notes**

- (1) The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants' Report for financial period ended 31 March 2010 as disclosed in the Prospectus of the Company dated 28 September 2010 and the accompanying notes attached to this interim financial statements.
- (2) This is the first year interim financial report on the consolidated financial position of the Company and its subsidiaries announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. As such, there are no comparative figures for the preceding year's corresponding period.
- (3) Based on the issued share capital of 145,000,000 shares after completion of the Initial Public Offering (as detailed in Note B8)

**CYPARK RESOURCES BERHAD**  
(Company No: 642994-H)

**Unaudited Condensed Consolidated Statements of Changes in Equity**  
As at 31 January 2011

	← Attributable to equity holders of the Company →					Distributable	Total
	Share capital	Share premium	Non distributable Foreign exchange reserve	Foreign statutory reserve	Reverse acquisition deficit		
Group	RM	RM	RM	RM	RM	RM	RM
As at 1 November 2010	72,500,000	15,204,519	(126,171)	85,001	(36,700,000)	36,399,301	87,362,650
Effects of adopting FRS139	-	-	-	-	-	497,283	497,283
	<u>72,500,000</u>	<u>15,204,519</u>	<u>(126,171)</u>	<u>85,001</u>	<u>(36,700,000)</u>	<u>36,896,584</u>	<u>87,859,933</u>
Listing expenses	-	(73,500)	-	-	-	-	(73,500)
Total Comprehensive Income	-	-	-	-	-	6,550,989	6,550,989
Foreign currency translation	-	-	7,718	(1221)	-	-	8,939
As at 31 January 2011	<u>72,500,000</u>	<u>15,131,019</u>	<u>(133,889)</u>	<u>83,780</u>	<u>(36,700,000)</u>	<u>43,447,573</u>	<u>94,328,484</u>

**Notes**

- (1) The Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants' Report for the financial period ended 31 March 2010 as disclosed in the Prospectus of the Company dated 28 September 2010 and the accompanying notes attached to this interim financial statements.
- (2) This is the first year interim financial report on the consolidated results of the Company and its subsidiaries announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. As such, there are no comparative figures for the preceding year's corresponding quarter and period.

**CYPARK RESOURCES BERHAD**  
(Company No: 642994-H)

**Unaudited Condensed Consolidated Statements of Cash Flows**  
**For the First Quarter ended 31 January 2011**

	3 months ended	
	31 January 2011	31 January 2010
	RM	RM
<b>Cash flows from operating activities</b>		
Profit before taxation	8,279,629	N/A
Adjustment for:		
Depreciation of plant and equipment	137,502	N/A
Gain on disposal of plant and equipment	(152,261)	N/A
Fair value adjustments on		N/A
Other investment	(310,000)	N/A
Trade and other receivables / payables	(539,061)	N/A
Unrealised foreign exchange loss	9,871	N/A
Interest expense	1,648,387	N/A
Interest income	(459,634)	N/A
Operating profit before working capital changes	<u>8,614,432</u>	N/A
Changes in working capital:		
Receivables	3,938,300	N/A
Payables	11,018,703	N/A
Cash used in operation	<u>23,571,435</u>	N/A
Interest income received		N/A
Interest paid	(1,648,387)	N/A
Taxes paid	(2,169,531)	N/A
Net cash used in operating activities	<u>19,753,517</u>	N/A
<b>Cash flows from investing activities</b>		
Increase in other investment	310,000	
Acquisition of plant and equipment (Note a)	(32,175)	N/A
Proceeds from disposal of plant and equipment	152,261	N/A
Interest received	459,634	N/A
Net cash used in investing activities	<u>889,720</u>	N/A
<b>Cash flows from financing activities</b>		
Proceeds from issuance of shares		N/A
Listing expense	(73,500)	N/A
Repayment of Revolving Credit	(2,100,000)	N/A
Repayment of short-term borrowings	(10,692,826)	N/A
Proceeds from short-term borrowings		N/A
Repayment of hire purchase obligations	(97,537)	N/A
Net cash generated from financing activities	<u>(12,963,863)</u>	N/A
<b>Net increase in cash and cash equivalents</b>	7,679,373	N/A
<b>Cash and cash equivalents at beginning of financial period</b>	17,508,459	N/A
<b>Effects of foreign exchange rate changes</b>	(118,848)	N/A
<b>Cash and cash equivalents at end of financial period</b>	<u>25,068,984</u>	N/A
<b>Cash and cash equivalents at the end of the financial period comprise the following:</b>		
Deposit with licensed bank	63,549,992	N/A
Cash and bank balances	7,200,406	N/A
Bank overdrafts	(45,681,414)	N/A
	<u>25,068,984</u>	N/A
Note a:		
Plant and equipment were acquired by the way of:		
Cash payments	32,175	N/A
Loan and hire purchase	240,000	N/A
	<u>272,175</u>	N/A

**Notes**

- (1) The Unaudited Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants' Report for the financial period ended 31 March 2010 as disclosed in the Prospectus of the Company dated 28 September 2010 and the accompanying notes attached to this interim financial statements.
- (2) This is the first year interim financial report on the consolidated Cashflows of the Company and its subsidiaries announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. As such, there are no comparative figures for the preceding year's corresponding period.

**CYPARK RESOURCES BERHAD (Company No: 642994-H)**  
**(Incorporated in Malaysia)**  
**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JANUARY 2011**

**NOTES TO THE INTERIM FINANCIAL REPORT**

**PART A : EXPLANATORY NOTES IN COMPLIANCE WITH FINANCIAL REPORTING STANDARDS ("FRS") 134, INTERIM FINANCIAL REPORTING**

**A1. Basis of Preparation**

The interim financial report is unaudited and has been prepared in accordance with FRS 134: Interim Financial Reporting and Appendix 9B Part A of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). This is the first year interim financial report on the consolidated results for the first quarter ended 31 January 2011 announced by the Company in compliance with the Listing Requirements and as such, there are no comparative figures for the preceding year's corresponding period.

The interim financial report should be read in conjunction with the proforma combined financial statements for the financial period ended 31 March 2010 as disclosed in the prospectus of the Company dated 28 September 2010 and the accompanying explanatory notes attached to this interim financial report.

The interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of Cypark Resources Berhad Group. The interim consolidated financial report and notes thereon do not include all the information required for a full set of financial statements prepared in accordance with FRSs.

**A2. Change in accounting policies**

The significant accounting policies adopted by the Group are consistent with those of the audited financial statements for the financial year ended 31 October 2010 of the Group, except for the adoption of the following :

On 1 November 2010, the Group adopted the following new and amended Financial Reporting Standards ("FRS") mandatory for financial periods beginning on or after 1 January 2010, 1 March 2010 and 1 July 2010.

	<b>Effective for annual periods beginning on or after</b>
FRS 4 Insurance Contracts	
FRS 7 Financial Instruments: Disclosures	1 January 2010
FRS 101 Presentation of Financial Statements (Revised)	1 January 2010
FRS 123 Borrowing Costs	1 January 2010
FRS 139 Financial Instruments: Recognition and Measurement	1 January 2010
Amendments to FRS 1 First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
Amendments to FRS 2 Share-based Payment - Vesting Conditions and Cancellations	1 January 2010
Amendments to FRS 132 Financial Instruments: Presentation	1 January 2010
Amendments to FRS 139 Financial Instruments: Recognition and Measurement, FRS 7 Financial Instruments: Disclosures and IC Interpretation 9 Reassessment of Embedded Derivatives	1 January 2010
Amendments to FRSs 'Improvements to FRSs (2009)'	1 January 2010
IC Interpretation 9 Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10 Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11 FRS 2 - Group and Treasury Share Transactions	1 January 2010
IC Interpretation 13 Customer Loyalty Programmes	1 January 2010
IC Interpretation 14 FRS119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010
TR I - 3 Presentation of Financial Statements of Islamic Financial Institutions	1 January 2010

**A2. Change in accounting policies (cont'd)**

	<u>Effective for annual periods beginning on or after</u>
Amendments to FRS 132: Classification of Rights Issues	1 March 2010
FRS 1 First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3 Business Combinations (revised)	1 July 2010
Amendments to FRS 2 Share-based Payment	1 July 2010
Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
FRS 127 Consolidated and Separate Financial Statements (amended)	1 July 2010
Amendments to FRS 138 Intangible Assets	1 July 2010
Amendments to IC Interpretation 9 Reassessment of Embedded Derivatives	1 July 2010
IC Interpretation 12 Service Concession Arrangements	1 July 2010
IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17 Distributions of Non-cash Assets to Owners	1 July 2010

Other than the implications as disclosed below, the adoption of the above FRSs, IC Interpretations and Amendments do not have material impact on the financial statements of the Group:

**(i) FRS 8 : Operating Segments**

FRS 8 requires identification and reporting of operating segments based on internal reports that are regularly reviewed by the entity's chief operating decision maker in order to allocate resources to the segment and to assess its performance. The Group presents its segment information based on its business segments, which is also the basis of presenting its monthly internal management reports.

**(ii) FRS 139 : Financial Instruments : Recognition and measurement**

FRS 139 establishes the principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items.

Upon the adoption of FRS 139, the details of the changes in accounting policies are summarised below:

**(i) Initial recognition and measurement**

With the adoption of FRS 139, all financial assets and financial liabilities, including derivatives, are recognised at contract dates when, and only when, the Company or any subsidiary becomes a party to the contractual provisions of the instruments.

Upon initial recognition, the financial assets and financial liabilities, if any, recognised and unrecognised in prior financial year are classified as the following instruments:

	Pre FRS 139	Post FRS 139
1	Other investment	Financial assets at fair value through profit and loss
2	Trade and other receivables	Loan and receivables
3	Cash and bank balance	Loan and receivables
4	Trade and other payables	Loan and receivables
5	Short term borrowing	Loan and receivables
6	Long term borrowing	Financial liabilities at amortised cost

Subsequent to their initial recognition, the financial assets and financial liabilities are measured as below:

	Instrument	Measurement Basis
1	Financial assets at fair value through profit and loss	At fair value through profit and loss
2	Held to maturity investment	At amortised cost using effective interest method
3	Loans and receivables	At amortised cost using effective interest method
4	Financial liabilities at amortised costs	At amortised cost using effective interest method
5	Financial liabilities at fair value through profit and loss	At fair value through profit and loss

**A2. Change in accounting policies (cont'd)**

**(ii) 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 specific debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

The Company has provided a financial guarantee to a financial institution for the guarantee of a credit facility granted to one of its subsidiaries. As there is no upfront payment for the guarantee contract and the directors are of the view that the chances of the financial institution to call upon the corporate guarantee are remote, the fair value is likely to be zero.

The Company also monitors the performance of its subsidiary closely to ensure they meet all their financial obligations on time. In view of the minimal risk of default, the Company has derecognised the guarantee as financial liability.

**(iii) Inter company Advances or Loans**

Prior to adoption of FRS 139, the loans and advances granted from the Company to its subsidiaries are at interest free and were recorded at cost.

Upon the adoption of FRS 139, the advances and loans are classified as Loan and Receivables assets. As the loan is interest free and is payable on demand, the difference between the fair value and amortised cost of the loan or advance is likely to be zero.

**Standards and Interpretations issued and not yet effective**

The following revised FRSs, new Issues Committee ("IC") Interpretations and Amendments to FRSs have been issued by the MASB and are effective for annual periods commencing on or after 1 January 2011. They have yet to be adopted as they are not yet effective for the current quarter ended 31 January 2011 and current financial year ending 31 October 2011:

	<u>Effective for annual periods beginning on or after</u>
Amendments to FRS 1: Limited Exemption from Comparative FRS 7	
Disclosures for First-time Adopters	1 January 2011
Amendments to FRS 2 : Group Cash-settled Share-based Payment Transactions	1 January 2011
Amendments to FRS 7: Improving Disclosures about Financial Instruments	1 January 2011
Amendments to FRSs 'Improvements to FRSs (2010)'	1 January 2011
IC Interpretation 18 : Transfers of Assets from Customers	1 January 2011
IC Interpretation 14 : Prepayments of a Minimum Funding Requirement	1 July 2011
IC Interpretation 19 : Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
FRS 124 : Related Party Disclosures (revised)	1 January 2012
IC Interpretation 15 : Agreements for the Construction of Real Estate	1 January 2012

The Group and the Company plan to adopt the above pronouncements when they become effective in the respective financial period. Unless otherwise described below, these pronouncements are expected to have no significant impact to the financial statements of the Group and the Company upon their initial application:

**FRS 3: Business Combinations (revised) and FRS 127: Consolidated and Separate Financial Statements (amended)**

FRS 3 (revised) introduces a number of changes to the accounting for business combinations occurring on or after 1 July 2010. These include changes that affect the valuation of non-controlling interest, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs and future reported results.

**A2. Change in accounting policies (cont'd)**

FRS 127 (amended) requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction with owners in their capacity as owners and to be recorded in equity. Therefore, such transaction will no longer give rise to goodwill, nor will it give rise to a gain or loss. Furthermore, the amended Standard changes the accounting for losses incurred by the subsidiary as well as loss of control of a subsidiary.

The changes by FRS 3 (revised) and FRS127 (amended) will be applied prospectively and only affect future acquisition or loss of control of subsidiaries and transactions with non-controlling interests.

**A3. Auditors' report on preceding annual financial statements**

There were no audit qualifications to the audited financial statements of the Company and its subsidiaries for the financial year ended 31 October 2010.

**A4. Seasonal or cyclical factors**

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

**A5. Items of unusual nature**

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

**A6. Changes in estimates**

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

**A7. Changes in debt and equity securities**

Same as disclosed under Note B8 below, there were no issuance, cancellation, repurchase, resale, and repayment of debt and equity securities for the current financial quarter.

**A8. Dividend paid**

There was no dividend paid in the current financial period.



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**A9 The Group is organised into the following business segments:-**

- 1) Environmental
- 2) Landscaping
- 3) Maintenance

	Environmental RM	Landscaping RM	Maintenance RM	Elimination RM	Total RM
<b>FYE 31.01.2011 (Unaudited)</b>					
<b>Revenue</b>					
Sale to external customers	41,246,759	1,120,401	240,900	-	42,608,060
Inter-segment sales	13,268,039	-	228,000	(13,496,039)	-
<b>Total revenue</b>	<b>54,514,798</b>	<b>1,120,401</b>	<b>468,900</b>	<b>(13,496,039)</b>	<b>42,608,060</b>
<b>Results</b>					
Segment results					9,928,016
Finance cost					(1,648,387)
Profit before taxation					8,279,629
Taxation					(2,080,418)
<b>Profit after tax</b>					<b>6,199,211</b>
Other Comprehensive Income					
Net fair value gain on financial assets / financial liabilities					351,778
<b>Total comprehensive income</b>					<b>6,550,989</b>

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

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

**A11 Capital commitments**

There were no capital commitment for property, plant and equipment as at 31 January 2011.

**A12 Material events subsequent to the end of period reported**

There were no material events subsequent to the end of the current financial quarter up to 23 March 2011, being the latest practicable date ("LPD") which is not earlier than 7 days from the date of issuance of this quarterly report, that have not been reflected in this quarterly report.

**A13 Changes in composition of the group**

There were no material events subsequent to the end of the current financial quarter that have not been reflected in this quarterly report as at the date of this report. The Group was listed on the Main Market of Bursa Securities on 15 October 2010.

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**A14. Contingent liabilities and contingent assets**

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

	<b>31 January 2011</b> <b>RM</b>
<b>Secured:</b>	
- Performance bond guarantees favouring Government / Statutory bodies and companies acceptable to the banks for various projects	40,649,093
- Tender bond given to third parties which is partially secured by Cypark's fixed deposit	20,500
- Corporate guarantees given to banks for credit facilities granted to subsidiaries	500,000
- Letter of credits given to suppliers for purchase of materials	1,474,673
<b>Unsecured:</b>	
- Bank guarantees extended to third parties in respect various projects of the Group	200,000
- Litigations claims	3,087,614
	45,931,880

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

The litigation claims relate to the dispute in the final amount claimed by the sub-contractors. The Group with the advice of their solicitors, is confident of defending these cases. Accordingly, the amount claimed have not been provided for in the financial statements.

**A15. Significant related party transactions**

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

Related Party	Interested Promoter / Director / Substantial Shareholder /	Nature of Transactions	Transaction Value based on billings For Current Quarter RM	Transaction Value based on billings Year To Date RM	Balance Outstanding as at 31 January 2011 RM
CyEn Resources Sdn Bhd	Siow Kwang Khee, Daud bin Ahmad, Tan Sri Razali bin Ismail	Sub-contractor charges and consulting fees paid for environmental / landscape works	2,315,363	2,315,363	9,887,218

**NOTES TO THE INTERIM FINANCIAL REPORT**

**PART B - ADDITIONAL INFORMATION AS REQUIRED BY LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (PART A OF APPENDIX 9B)**

**B1. Review of performance of the Group**

The Group generated a total revenue of RM 42.6 million during the current quarter, which is an increase of 17% compared to the previous quarter. The increase in revenue is mainly due to the smooth progress of Phase 2 works in certain sites after design planning, site survey and site possession issues were resolved.

The Group's gross profit margin decreased by 10.7% to 26.1% for the current quarter as compared to the previous quarter. The gross margin decreased due to lower margin earned from engineering works.

Despite lower gross margin achieved in the current quarter, the profit before taxation for current quarter is RM 8.2 million about the same level achieved in last quarter. This is due to lower finance cost incurred for the current quarter at about RM 1.7 million as compared to RM3.7 million in the last quarter as a result of additional bank facility fees incurred for the issuance of a performance bond for the National Landfill project.

The profit after tax of the Group for current quarter at 15.4% is 2.6% higher than the previous quarter. This is mainly due to the recognition of a gain of RM351,778 for changes in fair value upon the adoption of the new Financial Reporting Standard 139.

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

No comparative figures are presented for the immediate preceding year's quarter as this is the first year consolidated results of the Group being announced.

**B3. Current year prospects**

It is noted that priority accorded to the waste and minimisation of waste is reflected through the recently adopted National Strategic Plan for Waste Management and related regulations/ initiatives. While government support is strong and encouraging, market growth of solid waste management services is also expected to be driven by the increasing waste output of Malaysia's population. Urbanisation and the increasing development of urban areas are main causes to increasing consumption and solid waste generation. By 2020 daily solid waste output is expected to bloat to 30,000 tonnes compared to a current level of approximately 20,550 tonnes.

The solid waste management market is expected to grow robustly moving forward. The solid waste management market was valued at RM 3.82 billion in 2009, and is expected to grow at a CAGR of 5.3% from 2009 to 2014. The demand-push for solid waste management solutions and services is likely to come most significantly from the public sector efforts.

The Group plans to venture into the renewable energy business. The proposed Renewable Energy Park project in Pajam which involves the integration of three potential resources available at the landfill i.e. Solar, Landfill gas (Biogas) and Waste (Biocell) into a scalable renewable energy project capable of generating up to 10 megawatts of electricity has been included as one of the Entry Point Projects of the National Economic Transformation Program announced by the Prime Minister of Malaysia on 8 March 2011.

The Group believes that with the multiple initiatives being implemented by the Malaysian Government in promoting Green Energy, our plans for our future growth augur well for Cypark Resources Berhad.

Based on the industry outlook and our plan listed above and barring any unforeseen circumstances, the Board of Directors is of the opinion that the Group's revenue will continue to increase and the Group will remain profitable for the next quarter.

**CYPARK RESOURCES BERHAD (Company No: 642994-H)**  
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**B4. Profit forecast and profit estimate**

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

**B5. Income tax expense**

	RM
Malaysia tax	
- Current quarter	2,080,418
Deferred tax	-
	<u>2,080,418</u>

**B6. Profit on sale of unquoted investments and / or properties**

There were no Profit on Sale of Unquoted Investments and / or Properties during the current financial quarter.

**B7. Purchase or disposal of quoted securities**

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

**B8. Status of corporate proposals**

In conjunction with, and as an integral part of the listing and quotation for the entire issued and paid-up share capital of our Company on the Main Market of Bursa Securities on 15 October 2010, the Company implemented the listing scheme set out as follows : -

- Bonus Issue;
- Shares Transfer;
- IPO;
- Offer for Sale;
- Listing of and Quotation of our Shares; and
- ESOS.

The above are inter-conditional and are viewed as one exercise undertaken to facilitate the Listing of the Company.

**a. Bonus issue**

Our Company undertook a bonus issue of 34,999,996 new ordinary shares of RM 0.50 each to our existing shareholders on the basis of approximately seven (7) bonus shares for every sixteen (16) existing Shares held in our Company. Bonus Issue was effected through the capitalisation of RM 17,500,000 out of our Company's audited retained earnings as at 31 March 2010.

The Bonus Issue was completed on 23 August 2010 and resulted in an increase in the issued and paid-up share capital of our Company from RM 40,000,002 to RM 57,500,000.

All the new Shares issued pursuant to the Bonus Issue ranked pari passu in all respect with the existing Shares of our Company except that they will not be entitled to any dividends, rights, allotments declared, made or paid prior to the allotment of the said new Shares.

**B8. Status of corporate proposals (cont'd)**

**b. Shares transfer**

Subsequently on 20 September 2010, two shareholders of our Company, namely Siow Kwang Khee and Tan Sri Razali bin Ismail have transferred a portion of their Shares to Daud bin Ahmad and Tan Swee Loon for an agreed upon consideration.

After the bonus issue and shares transfer, the shareholding structure of our Company are as follows:

Name	After bonus issue and shares transfer	%
Tan Sri Razali bin Ismail	61,962,000	53.9
Daud bin Ahmad	16,813,000	14.6
Siow Kwang Khee	23,290,000	20.3
Tan Swee Loon	12,935,000	11.2
	115,000,000	100

**c. Initial Public Offer ("IPO")**

The Company issued its prospectus for its IPO on 28 September 2010 and undertook the following : -

- (i) Public issue  
A Public Issue of 30,000,000 new ordinary shares of RM0.50 each at an issue price of RM1.10 per share.
- (ii) Offer for sale  
An Offer For Sale of 28,000,000 ordinary shares of RM0.50 each at an offer price of RM1.10 per share.

**d. Listing**

The Company's entire enlarged issued and paid-up share capital after the public issue and offer for sale, comprising 145 million ordinary shares of RM0.50 each were listed on the Main Market of Bursa Securities on 15 October 2010.

**e. ESOS**

Bursa Securities had vide its letter dated 20 September 2010 granted the approval-in-principle for the listing of and quotation for new Shares of up to a maximum of fifteen percent (15%) of our issued and paid-up share capital to be issued at any point in time within the duration of the ESOS pursuant to the exercise of options granted to eligible Directors and employees of our Group.

The ESOS shall be for a duration of five (5) years and may be extended for up to another five (5) years at the discretion of the Board of Directors upon the recommendation of the ESOS committee.

A total of 3,650,000 ESOS options under the ESOS Scheme was offered to eligible directors and employees at the Initial Public Offer (IPO) price of RM1.10 each on 14 October 2010 and fully accepted by all eligible parties on 3 November 2010.

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

	Title	Options Offered (RM)	Options Accepted (RM)
Daud Bin Ahmad	Director	1,400,000	1,400,000
Siow Kwang Khee	Director	1,000,000	1,000,000

**B8. Status of corporate proposals (cont'd)**

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

	Number of options over ordinary shares of RM0.50 each					
	Outstanding as at 01.11.2010	Granted	Exercised	Lapsed	Outstanding as at 31.01.2011	Exercisable as at 31.01.2011
2010 Options	-	3,650,000	-	-	3,650,000	3,650,000
	-	3,650,000	-	-	3,650,000	3,650,000
Weighted average exercise price (RM)		1.10	1.10	1.10	1.10	1.10
Weighted average remaining contractual life (months)	60					57

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

	Weighted average exercise price RM	Exercise period
2010 Options	1.10	14.10.2010 - 13.10.2015

The fair value of share options granted during the financial period was estimated using the Binomial Model, taking into account the terms and conditions upon which the options were granted. The fair value of the share option measured at grant date and the assumptions are as follows:

Fair value of share options at the following grant date (RM) :

3 November 2011	0.01
Weighted average share price (RM)	1.10
Weighted average exercise price (RM)	1.10
Expected volatility (%)	11
Expected life (years)	5
Risk-free Interest rate (%)	2.75
Expected dividend yield (%)	2.524

**B8. Status of corporate proposals (cont'd)**

**f. Utilisation of proceeds**

Arising from the Public Issue, the Company raised gross proceeds of RM33.0 million. The status of the utilisation of the proceeds as at 24 March 2011 was as follows : -

	Estimated Timeframe for utilisation upon Listing	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance / Deviation		Notes
				RM'000	%	
(i) Repayment of overdraft (contract) facility obtained for the purpose of the National Landfill Restoration project.	Within 12 months	10,000	10,000	-	0%	
(ii) Working capital* - Expansion of business - Existing and future operations	Within 18 months	2,000	1,200	800	40%	
	Within 12 months	18,618	15,000	3,618	19%	
(iii) Estimated listing expenses*	Within 2 months	2,382	2,869	(487)	-20%	(1)
<b>Total proceeds</b>		<b>33,000</b>	<b>29,069</b>	<b>3,931</b>		

- (1) The gross proceeds arising from the Offer for Sale, net of relevant fee, were accrued entirely to the Offerors and no part of the proceeds has been received by our Company.
- (2) IPO proceeds will be utilized within the estimated timeframe. The group does not expect any material deviation as at the date of this report.
- (3) The total listing expenses was RM2,869,000. In accordance with the provisions of FRSIC Consensus 13, the amount was written off against shares premium account in current period. The deficit of RM487,000 was funded out of the working capital portion allocated for working capital as indicated in section 1.7 of the prospectus.

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**B9. Group's borrowings and debts securities**

The Group's borrowings and debts securities as at 31 January 2011 are as follows:-

	<b>RM</b>
<b>Short term borrowings</b>	
Secured:	
Bank overdrafts	44,408,774
Bank overdrafts against progress claims	1,062,223
Trust receipts	1,272,640
Hire purchase	276,106
Term Loan	37,200,000
	<u>84,219,744</u>
<b>Long term borrowings</b>	
Secured:	
Term Loan	
Hire purchase	1,479,212
	<u>1,479,212</u>
<b>Total borrowings</b>	
Secured:	
Bank overdrafts	44,408,774
Bank overdrafts against progress claims	1,062,223
Trust receipts	1,272,640
Hire purchase	1,755,318
Term Loan	37,200,000
	<u>85,698,956</u>



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**B10. Off Balance Sheet Financial Instruments**

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

**B11. Material Litigation**

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

**a. Chung Nyap Yoon Sdn Bhd ("Plaintiff") v CSB**  
**(Shah Alam High Court Suit No: MT4-22-920-2001)**

The Plaintiff is claiming against Cypark Sdn Bhd for the sum of RM 1,894,720.49 as balance of payment for agreed works done pursuant to a letter of award where the plaintiff was appointed as a sub-contractor of CSB in a development project. CSB is defending this suit against the Plaintiff. On 9 July 2010, solicitors of CSB had submitted to court a preliminary report prepared by an independent quantity surveyor. The Plaintiff's solicitor has reserved the Plaintiff's right to put in an expert report and the solicitors of CSB have also reserved CSB's right to put in a more detailed expert report. The matter has been fixed for full trial from 18 April 2011 to 20 April 2011 and both parties have been directed by the court to file their witness statements respectively by 1 April 2011.

**b. YNK Construction Sdn Bhd ("Plaintiff") v CSB**  
**(Kuala Lumpur High Court Suit No: S7-22-1859-2004)**

The Plaintiff is claiming against Cypark Sdn Bhd for the sum of RM 1,192,893.50 as balance of payment for agreed works done pursuant to a sub-contract arrangement where the Plaintiff was appointed as a sub-contractor of CSB in a development project. CSB is defending this suit against the Plaintiff and is further pursuing a counter claim against the Plaintiff for the sum of RM 72,828.27 or alternatively, the sum RM 156,742.27 due to a dispute on the methods valuing the payment for the agreed works done pursuant to the said sub-contract. The said sub-contract has provided for the method of construction to be "in-situ reinforced concrete drains". However the actual method of construction carried out was "precast concrete box culvert drain". The Plaintiff has contended that the method of valuation should be based on the terms of said sub-contract whereas CSB has contended that the method of valuation should be based on the actual construction.

The matter came up for case management on the 28 September 2010, whereby both parties have consented to the matter to be referred to Arbitration. On 29 October 2010, both parties' legal counsels informed the judge that Mr. Saw Soon Kooi has been appointed as the Arbitrator. A preliminary meeting was held by the Arbitrator on the 6 December 2010 at the Malaysian Institute of Arbitrators. The Arbitrator issued an Order for Direction No.2, for both parties to submit all required documents by 28 December 2010. The Arbitrator has also fixed for the Claimant's Counsel to send the Bundle of Documents, including the translation of documents to him by 15 January 2011.

The hearing dates are now fixed by the Arbitrator on the 21 April 2011, 22 April 2011, 9 May 2011 and 10 May 2011 at the Malaysian Institute of Arbitrators.

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**B11. Material Litigation (cont'd)**

**c. Kawalan Keselamatan Sentral (M) Sdn Bhd ("Plaintiff") v CSB**

**(Shah Alam Session Court Summons No: S1-52-2047-2009)**

The Plaintiff is claiming against CSB for the sum of RM 210,731.20 for non-payments of their fees pursuant to purported security services rendered by the Plaintiff from August 2008 to May 2009. CSB is defending this suit against the Plaintiff and has filed their defence and counterclaim for this matter claiming, inter alia, the sum of RM 403,900.00 being losses suffered by CSB due to the negligence of the Plaintiff in rendering their security services. Following the case mention on 16 February 2011, parties have complied with the case management directions and the matter is now fixed for hearing on 18 April 2011.

**B12. Realised and unrealised profits or losses of the Group**

	1st Quarter ended 1 January 2011 (RM'000)	As at end of last Financial year (RM'000)
Total retained profits / (accumulated losses) of Cypark Resources Berhad and its subsidiaries		
Realised	42,292,294	36,093,083
Unrealised (included effects of FRS 139 adoption)	<u>1,027,963</u>	<u>676,185</u>
	43,320,257	36,769,268
Add : Consolidation adjustments	127,316	127,316
Retained Earnings as per financial statements	<u><u>43,447,573</u></u>	<u><u>36,896,584</u></u>

**B13. Dividends**

No interim dividend has been declared during the current quarter.

**B14. Earnings Per Share**

Basic and diluted earnings per share are calculated based on the issued share capital of 145,000,000 ordinary shares of RM 0.50 each in issue.

**B15. Authorisation for issue**

The interim financial statements were authorised for issue by the Board of Directors on 24 March 2011.