

CYPARK RESOURCES BERHAD  
(Company No: 642994-H)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JANUARY 2012

Unaudited Condensed Consolidated Statements of Comprehensive Income  
For the First Quarter ended 31 January 2012

	<u>Individual Quarter</u>		<u>Cumulative Period</u>	
	<u>Current Year Quarter</u> 31 January 2012 RM	<u>Preceding Year Quarter</u> 31 January 2011 RM	<u>Current Year To Date</u> 31 January 2012 RM	<u>Preceding Year To Date</u> 31 January 2011 RM
<b>Continuing operations</b>				
<b>Revenue</b>	42,267,080	42,331,876	42,267,080	42,331,876
Cost of sales	(30,021,995)	(30,828,897)	(30,021,995)	(30,828,897)
<b>Gross profit</b>	12,245,085	11,502,979	12,245,085	11,502,979
Other income	568,752	459,634	568,752	459,634
Administrative expenses	(2,015,781)	(1,682,819)	(2,015,781)	(1,682,819)
<b>Operating profit</b>	10,798,056	10,279,794	10,798,056	10,279,794
Finance costs	(1,984,275)	(1,648,387)	(1,984,275)	(1,648,387)
<b>Profit before tax from continuing operations</b>	8,813,781	8,631,407	8,813,781	8,631,407
Income tax expense	(2,267,053)	(2,080,418)	(2,267,053)	(2,080,418)
<b>Profit from continuing operations, net of tax</b>	6,546,728	6,550,989	6,546,728	6,550,989
<b>Discontinued operation</b>				
Loss from discontinued operations, net of tax	(33,239)	-	(33,239)	-
<b>Profit net of tax</b>	6,513,489	6,550,989	6,513,489	6,550,989
<b>Other comprehensive income:</b>				
Foreign currency translation	(2,159)	-	(2,159)	-
<b>Other comprehensive income for the year, net of tax</b>	(2,159)	-	(2,159)	-
<b>Total comprehensive income for the year, attributable to owners of the parent</b>	6,511,330	6,550,989	6,511,330	6,550,989
<b>Earnings per share attributable to owners of the parent (sen per share)</b>				
- Basic	4.49	4.52	4.49	4.52
- Diluted	4.20	4.41	4.20	4.41
<b>Earnings per share from continuing operations attributable to owners of the parent (sen per share)</b>				
- Basic	4.51	4.52	4.51	4.52
- Diluted	4.22	4.41	4.22	4.41
<b>Loss per share from discontinued operation attributable to owners of the parent (sen per share)</b>				
- Basic	(0.02)	-	(0.02)	-
- Diluted	(0.02)	-	(0.02)	-

**Note**

(1) The Unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 October 2011 and the accompanying notes attached to the unaudited interim financial statements.

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

**Unaudited Condensed Consolidated Statements of Financial Position**  
As at 31 January 2012

	<b>Unaudited As At 31 January 2012</b>	<b>Audited As At 31 October 2011</b>
	<b>RM</b>	<b>RM</b>
<b>Assets</b>		
<b>Non-current assets</b>		
Plant and equipment	57,987,126	5,886,880
Intangible assets	297,316	297,316
Deferred tax assets	150,117	150,117
Long term trade receivables	947,685	1,203,896
	<u>59,382,244</u>	<u>7,538,209</u>
<b>Current assets</b>		
Trade and other receivables	227,405,061	232,372,779
Other current assets	853,071	542,067
Cash and bank balances	95,400,942	76,932,485
	<u>323,659,074</u>	<u>309,847,331</u>
Assets of disposal group classified as held for sale	23,649,863	23,765,480
	<u>347,308,937</u>	<u>333,612,811</u>
<b>Total assets</b>	<u>406,691,181</u>	<u>341,151,020</u>
<b>Equity and liabilities</b>		
<b>Current liabilities</b>		
Provision	1,894,720	1,894,720
Loans and borrowings	101,945,800	114,725,474
Trade and other payables	87,497,151	81,245,369
Tax payables	2,836,722	3,888,662
	<u>194,174,393</u>	<u>201,754,225</u>
Liabilities of disposal group classified as held for sale	22,955,447	23,070,772
	<u>217,129,840</u>	<u>224,824,997</u>
<b>Net current assets</b>	<u>130,179,096</u>	<u>108,787,814</u>
<b>Non-current liabilities</b>		
Loans and borrowings	66,226,814	1,282,068
Trade and other payables	10,802,714	9,344,672
Deferred tax liabilities	308,505	343,422
	<u>77,338,033</u>	<u>10,970,162</u>
<b>Total liabilities</b>	<u>294,467,873</u>	<u>235,795,159</u>
<b>Net assets</b>	<u>112,223,308</u>	<u>105,355,861</u>
<b>Equity attributable to equity holders of the Company</b>		
Share capital	72,500,000	72,500,000
Share premium	15,163,246	15,163,246
Reverse acquisition reserve	(36,700,000)	(36,700,000)
Share option reserve	1,130,830	774,714
Retained earnings	60,179,248	53,665,759
Reserve of disposal group classified as held for sale	(50,017)	(47,858)
<b>Total equity</b>	<u>112,223,307</u>	<u>105,355,861</u>
<b>Total equity and liabilities</b>	<u>406,691,181</u>	<u>341,151,020</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.77	0.60

**Note**

- (1) The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 October 2011 and the accompanying notes attached to the unaudited interim financial statements.

Cypark Resources Berhad  
(Incorporated in Malaysia)

Statements of changes in equity  
For the First Quarter ended 31 January 2012

	←			Non-distributable			→			Distributable
	Share capital RM	Share premium RM	Share option reserve RM	Foreign currency translation reserve RM	Foreign statutory reserve RM	Reverse acquisition reserve RM	Reserve of disposal group classified as held for sale RM	Retained earnings RM	Equity, total RM	
<b>2012</b>										
<b>Group</b>										
<b>Opening balance at 1 November 2011</b>	72,500,000	15,163,246	774,714	-	-	(36,700,000)	(47,858)	53,665,759	105,355,861	
<b>Total comprehensive income</b>	-	-	-	-	-	-	(2,159)	6,513,489	6,511,330	
<b>Transactions with owners</b>										
Grant of equity-settled share options to employees	-	-	356,116	-	-	-	-	-	356,116	
Total transactions with owners	-	-	356,116	-	-	-	-	-	356,116	
<b>Closing balance at 31 January 2012</b>	72,500,000	15,163,246	1,130,830	-	-	(36,700,000)	(50,017)	60,179,248	112,223,307	
<b>2011</b>										
<b>Group</b>										
<b>Opening balance at 1 November 2010</b>	72,500,000	15,204,519	-	(126,171)	85,001	(36,700,000)	-	36,399,301	87,362,650	
Effect of adopting FRS 139	-	-	-	-	-	-	-	497,283	497,283	
	72,500,000	15,204,519	-	(126,171)	85,001	(36,700,000)	-	36,896,584	87,859,933	
<b>Total comprehensive income</b>	-	-	-	(7,718)	(1,221)	-	-	6,550,989	6,542,050	
<b>Transactions with owners</b>										
Share issuance expense	-	(73,500)	-	-	-	-	-	-	(73,500)	
Total transactions with owners	-	(73,500)	-	-	-	-	-	-	(73,500)	
<b>Closing balance at 31 January 2011</b>	72,500,000	15,131,019	-	(133,889)	83,780	(36,700,000)	-	43,447,573	94,328,483	

**Note**

- (1) The Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 October 2011 and the accompanying notes attached to the unaudited interim financial statements.

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

**Unaudited Condensed Consolidated Statements of Cash Flows**  
**For the First Quarter ended 31 January 2012**

	<b>3 months ended</b>	
	<b>31 January 2012</b>	<b>31 January 2011</b>
	<b>RM</b>	<b>RM</b>
<b>Cash flows from operating activities</b>		
Profit before tax from continuing operations	8,813,781	8,631,407
Loss before tax from discontinued operations	(33,239)	-
	<u>8,780,542</u>	<u>8,631,407</u>
Adjustment for:		
Depreciation of plant and equipment	156,532	137,502
Gain on disposal of plant and equipment	-	(152,261)
Fair value adjustments on		
Other investment	-	(310,000)
Trade and other receivables / payables	-	(890,839)
Grant of equity-settled share options to employees	356,116	-
Unrealised foreign exchange loss	8,293	9,871
Interest expense	1,984,275	1,648,387
Interest income	(541,171)	(459,634)
Operating profit before working capital changes	<u>10,744,586</u>	<u>8,614,433</u>
Changes in working capital:		
Receivables	(4,592,229)	3,938,300
Payables	16,697,232	11,018,703
Cash used in operation	<u>22,849,589</u>	<u>23,571,435</u>
Interest income received		
Interest paid	(1,943,161)	(1,648,387)
Taxes paid	(3,353,910)	(2,169,531)
Net cash used in operating activities	<u>17,552,518</u>	<u>19,753,517</u>
<b>Cash flows from investing activities</b>		
Increase in other investment	-	310,000
Acquisition of plant and equipment	(51,750,825)	(32,175)
Proceeds from disposal of plant and equipment	-	152,261
Interest received	541,171	459,634
Net cash used in investing activities	<u>(51,209,654)</u>	<u>889,720</u>
<b>Cash flows from financing activities</b>		
Listing expense	-	(73,500)
Repayment of Revolving Credit	(2,100,000)	(2,100,000)
Repayment of short-term borrowings	-	(10,692,826)
Proceeds from short-term borrowings	4,091,704	-
Proceeds from term loan	65,000,000	-
Repayment of hire purchase obligations	(63,656)	(97,537)
Net cash generated from financing activities	<u>66,928,048</u>	<u>(12,963,863)</u>
<b>Net increase in cash and cash equivalents</b>	<b>33,270,912</b>	<b>7,679,373</b>
<b>Cash and cash equivalents at beginning of financial period</b>	<b>6,744,431</b>	<b>17,508,459</b>
<b>Effects of foreign exchange rate changes</b>	<b>(2,159)</b>	<b>(118,848)</b>
<b>Cash and cash equivalents at end of financial period</b>	<b><u>40,013,184</u></b>	<b><u>25,068,984</u></b>
<b>Cash and cash equivalents at the end of the financial period comprise the following:</b>		
Deposit with licensed bank	75,582,389	63,549,992
Cash and bank balances	19,879,945	7,200,406
Bank overdrafts	(55,449,150)	(45,681,414)
	<u>40,013,184</u>	<u>25,068,984</u>

**Note**

- (1) The Unaudited Condensed Consolidated Statements of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 October 2011 and the accompanying notes attached to the unaudited interim financial statements.

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").

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 October 2011.

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 2011 of the Group, except for the adoption of the following new Financial Reporting Standards (FRSs), Amendments to FRSs, Interpretations and Technical Releases for the financial year beginning 1 November 2011:

	<b>Effective for annual periods beginning on or after</b>
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 FRS 7: Mandatory Effective Date of MFRS 9 and Transition Disclosures	Effective immediately
Amendments to FRS 9: Mandatory Effective Date of MFRS 9 and Transition Disclosures	Effective immediately
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

The adoption of the above FRSs, IC Interpretations and Amendments do not have material impact on the financial statements of the Group.

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

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JANUARY 2012**

**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 2012. They have yet to be adopted as they are not yet effective for the current financial year ended 31 October 2012:

	<b>Effective for annual periods beginning on or after</b>
Amendments to FRS 1 : Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	1 January 2012
Amendments to FRS 7: Disclosures – Transfers of Financial Assets	1 January 2012
Amendments to FRS 7: Disclosures—Offsetting Financial Assets and Financial Liabilities	1 January 2013
FRS 9: Financial instruments	1 January 2013
FRS 10: Consolidation financial statements	1 January 2013
FRS 11: Joint arrangements	1 January 2013
FRS 12: Disclosure of Interests in Other Entities	1 January 2013
FRS 13: Fair Value Measurement	1 January 2013
Amendments to FRS 101: Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to FRS 112: Deferred Tax: Recovery of Underlying Assets	1 January 2012
FRS 119: Employee Benefits	1 January 2013
FRS 124: Related Party Disclosures (revised)	1 January 2012
FRS 127: Separate Financial Statements	1 January 2013
FRS 128: Investment in Associates and Joint Ventures	1 January 2013
Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
IC Interpretation 20: Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

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.

**CYPARK RESOURCES BERHAD (Company No: 642994-H)**  
**(Incorporated in Malaysia)**  
**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JANUARY 2012**

**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 2011.

**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**

Save as except under Note B9 below, there were no issuance, cancellation, repurchase, resale, and repayment of debt and equity securities for the current financial quarter.

**A8. Dividends paid**

No dividend has been paid for the quarter under review.

**CYPARK RESOURCES BERHAD (Company No: 642994-H)**  
**(Incorporated in Malaysia)**  
**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JANUARY 2012**

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

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

	<b>Environmental Engineering RM</b>	<b>Landscaping RM</b>	<b>Maintenance RM</b>	<b>Elimination RM</b>	<b>Total RM</b>
<b>3 months ended 31 January 2012</b>					
<b>Revenue</b>					
Sale to external customers	31,394,175	10,639,005	240,900		42,274,080
Inter-segment sales	8,947,241	-	228,000	(9,175,241)	-
<b>Total revenue</b>	<b>40,341,416</b>	<b>10,639,005</b>	<b>468,900</b>	<b>(9,175,241)</b>	<b>42,274,080</b>
<b>Results</b>					
Segment results					10,798,056
Finance costs					(1,984,275)
<b>Profit before taxation from continuing operations</b>					<b>8,813,781</b>
Income tax expense					(2,267,053)
<b>Profit from continuing operations, net of tax</b>					<b>6,546,728</b>
Loss from discontinued operations, net of tax					(33,239)
<b>Profit net of tax</b>					<b>6,513,489</b>
<b>Other Comprehensive Income</b>					
- Foreign currency translation					(2,159)
<b>Total comprehensive income</b>					<b>6,511,330</b>

	<b>Environmental Engineering RM</b>	<b>Landscaping RM</b>	<b>Maintenance RM</b>	<b>Elimination RM</b>	<b>Total RM</b>
<b>3 months ended 31 January 2011</b>					
<b>Revenue</b>					
Sale to external customers	40,970,575	1,120,401	240,900	-	42,331,876
Inter-segment sales	13,268,039	-	228,000	(13,496,039)	-
<b>Total revenue</b>	<b>54,238,614</b>	<b>1,120,401</b>	<b>468,900</b>	<b>(13,496,039)</b>	<b>42,331,876</b>
<b>Results</b>					
Segment results					10,279,794
Finance costs					(1,648,387)
<b>Profit before taxation from continuing operations</b>					<b>8,631,407</b>
Income tax expense					(2,080,418)
<b>Profit from continuing operations, net of tax</b>					<b>6,550,989</b>
Other Comprehensive Income					-
<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**

Except as disclosed below, there were no capital commitment for property, plant and equipment as at 31 January 2012.

	<u>Capital Commitment</u> <u>as at 31.1.2012</u>
Development of Integrated Renewable Energy Park comprises 8MW Solar PV and 2MW Biogas Power Plant at Pajam	<u>26,782,440</u>

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

There were no material events subsequent to the end of the current financial quarter up to 23 March 2012, being the latest practicable date ("LPD") which is not earlier than 7 days from the date of issuance of this quarterly report, that have not been reflected in this quarterly report.

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

There were no material changes in the composition of the Group during the period under review.

**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 2012</b> <b>RM</b>
<b>Secured:</b>	
- Performance bond guarantees favouring Government / Statutory bodies and companies acceptable to the banks for various projects	37,049,221
- Bank guarantees extended to Government in respect various projects of the Group	2,626,756
- Corporate guarantees given to banks for credit facilities granted to subsidiaries	500,000
- Bank guarantees extended to third parties in respect various projects of the Group	100,000
- Letter of credits given to suppliers for purchase of materials	1,305,708
<b>Unsecured:</b>	
- Corporate guarantees given to Government for projects	1,160,000
- Litigations claims	1,192,894
	<u>43,934,579</u>

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

The litigation claim relates to the dispute in the final amount claimed by a sub-contractor. The Group, with the advice of their solicitors, is confident of defending this case. Accordingly, the amount claimed has 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:-

<b>Related Party</b>	<b>Interested Promoter / Director / Substantial Shareholder / Key Management</b>	<b>Nature of Transactions</b>	<b>Transaction Value based on billings For Current Quarter</b>	<b>Transaction Value based on billings Year To Date</b>	<b>Balance Outstanding as at 31 January 2011</b>
			<b>RM</b>	<b>RM</b>	<b>RM</b>
CyEn Resources Sdn Bhd	Siow Kwang Khee, Daud bin Ahmad, Tan Sri Razali bin Ismail and Tan Swee Loon	Sub-contractor charges and consulting fees paid for environmental / landscape works	1,411,480.00	1,411,480.00	1,411,480.00

**B1. Analysis of performance for the financial period to date**

The Group's revenue for 1Q2012 decreased marginally by 1% to RM42.2 million from RM42.3million recorded in 1Q2011. Profit before tax for 1Q2012 increased by 2% to RM8.8 million from RM8.6 million recorded in 1Q2011. The details of the performance of the segments are as follows:

**Environmental Engineering**

The revenue for 1Q2012 decreased by 24% to RM31.3 million from RM41.2million recorded in 1Q2011. This is mainly due to the 16 national landfill closure projects undertaken by the Group are in the final stage of completion. In addition, the newly secured landfill closure and upgrading projects are in the initial stage of construction during which the contributions are low. Despite of the lower billing in the environmental engineering business, the profit before tax was lower by only 12% to RM8.7 million in 1Q2012 from RM9.9 million in 1Q2011. This is mainly due to project cost saving and better margin on certain projects.

**Landscaping**

Revenue for the landscaping division improved substantially to RM10.6 million in 1Q2012 from RM1.1 million in 1Q2011, or an increment of 849% compared to the preceding quarter. It was mainly contributed by a project secured recently from Putrajaya Holdings Sdn Bhd for the Proposed Construction and Completion of Road Works, Bridge, Drainage, Utilities and Landscaping Works at Putrajaya. As a result, a higher profit before tax is recorded with the achievement of RM1.9 million in 1Q2012 compared with RM168,000 in 1Q2011.

**Maintenance**

For the maintenance division, there is no change in terms of revenue achieved in 1Q2012 as compared with 1Q2011. Revenue is from general maintenance works performed for certain landfill sites. Profit before tax was lower by 24% to RM129,000 in 1Q2012 from RM170,000 in 1Q2011 due to higher staff cost incurred in the current quarter.

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

The revenue of the Group amounting to RM42.2 million for the current quarter represents a marginal decrease of 1% as compared with the immediate preceding quarter of RM42.3million. The gross profit margin for the current quarter is 29% as compared to 27% recorded in the immediate preceding quarter due to profits contributed from Putrajaya Project.

The profit before tax of the Group improved by 141%, from RM3.6 million in the immediate preceding quarter to RM8.8 million in current quarter. The significant lower net profit of the Group in the immediate preceding quarter is mainly due to the provision made for the legal litigation, year end bonus and donations.

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

Market growth of solid waste management services is expected to be driven by the increasing waste output of Malaysia's population and the increasing awareness for environmental care and protection. Urbanisation and the increasing development of urban areas are the main cause of solid waste generation. By 2020, daily solid waste output is expected to increase to 30,000 tonnes compared to a current level of approximately 20,550 tonnes.

The solid waste management market is expected to grow robustly. It was valued at RM 3.82 billion in 2009, and is expected to grow at a compounded annual growth rate 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 initiatives. With its experience and track records, the group is expected to benefit from government projects earmarked under the RMK10.

The Group has recently ventured into renewable energy sector. The group's first 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 (Biomass) 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 various initiatives being implemented by the Malaysian Government in promoting Green Energy, our plans for our future growth, augur well for Cypark Resources Berhad.

In addition, the newly secured approval from the Government of Malaysia to develop a new sanitary landfill project through public private partnership scheme, of which the agreement is being finalised, is expected to boost the earning of the Group and enhance the financial position of the Group in the long term.

Based on the industry outlook and our plans as indicated above and barring any unforeseen circumstances, the Board of Directors is of the opinion that the business and performance of the Group is expected to remain positive and strong.

**CYPARK RESOURCES BERHAD (Company No: 642994-H)**  
**(Incorporated in Malaysia)**  
**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JANUARY 2012**

**B4. Profit forecast and profit estimate**

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

**B5. Profit before tax**

	Individual Quarter 3 months ended 31-Jan-12	Cumulative Quarter 3 months ended 31-Jan-12
Profit before tax is stated after crediting:-		
Interest income	541,171	541,171
Other income including investment income	27,581	27,581
Gain on disposal of quoted or unquoted investment or properties	N/A	N/A
Profit before tax is stated after charging:-		
Interest expenses	1,984,275	1,984,275
Depreciation	156,534	156,534
Provision for and write off of receivables	N/A	N/A
Provision for and write off of inventories	N/A	N/A
Impairment of assets	N/A	N/A
Unrealised foreign exchange loss	8,293	8,293
Loss on derivatives	N/A	N/A
Exceptional items	N/A	N/A

Other than the items highlighted above, there were no exceptional items for the current quarter and financial year ended 31 January 2012.

**B6. Income tax expense**

	Current year quarter 31 January 2012 RM	Preceding year quarter 31 January 2011 RM
Malaysia tax	2,301,970	2,080,418
Deferred tax	(34,917)	-
	<u>2,267,053</u>	<u>2,080,418</u>

**B7. Profit on sale of unquoted investments and/or properties**

There was no profit on sale of unquoted investments and/or properties during the current financial quarter.

**B8. Purchase or disposal of quoted securities**

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

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

**(Incorporated in Malaysia)**

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JANUARY 2012**

**B9. Status of corporate proposals**

**a. Private placement**

On 3 March 2012, the Company announced its proposal to implement a private placement up to 15,522800 new ordinary shares of RM0.50 each in Cypark Resources Bhd (“CRB Shares” OR “Shares”) (“Placement Shares”), representing up to ten percent (10%) of the issued and paid-up share capital of the Company, to third party investors to be identified for the Group working capital requirements.

The Placement Shares shall be issued based on a discount, if any, of not more than ten percent (10%) to the five (5) days weighted average market price of CRB Shares immediately preceding the price-fixing date. In any case, the issue price of the Placement Shares shall not be lower than the par value of CRB Shares of RM0.50 each.

The Company submitted the additional listing application to Bursa Securities on 6 March 2012 and obtained the approval from Bursa Securities on 7 March 2012.

On 19 March 2012, the Company announced that the issued price for the Placement Shares has been fixed by the board of directors at RM1.80 per placement share. The issued price represents a discount of approximately 4.96% to the five (5) days volume weighted average market price of the CRB shares up to and including 16 March 2012, being the market day immediately preceding to the Price Fixing Date of RM1.8940.

On 21 March 2012, the Company announced that 14,500,000 new ordinary shares of RM 0.50 each issued pursuant to the Private Placement will be granted listing and quotation with effect from 22 March 2012.

On 22 March 2012, the Company announced that the Private Placement is completed following the listing and quotation of the private placement, comprising 14,500,000 placement shares on the Main Market Malaysia Securities Berhad on 22 March 2012.

**b. 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 (2010 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 were fully accepted by all eligible parties on 3 November 2010.

A total of 6,578,000 ESOS options (2011 Options) under the ESOS Scheme was offered to eligible directors and employees at RM1.34 each on 22 December 2011 and were fully accepted by all eligible parties on 5 January 2012.

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

	<b>Title</b>	<b>Options Offered (RM)</b>		<b>Options Accepted (RM)</b>
Daud Bin Ahmad	Director	2010 Option	1,400,000	1,400,000
		2011 Option	2,000,000	2,000,000
Siow Kwang Khee	Director	2010 Option	1,000,000	1,000,000
		2011 Option	1,500,000	1,500,000

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

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JANUARY 2012**

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

2010 Options

	Outstanding as at 01.11.2011	Number of options over ordinary shares of RM0.50 each Movement during the financial period			Outstanding as at 31.1.2012	Exercisable as at 31.1.2012
		Granted	Exercised	Lapsed		
2010 Options	3,650,000	-	-	-	3,650,000	3,650,000
	<u>3,650,000</u>	-	-	-	<u>3,650,000</u>	<u>3,650,000</u>
Weighted average exercise price (RM)	1.10	1.10	1.10	1.10	1.10	1.10
Weighted average remaining contractual life (months)	<u>48</u>					<u>45</u>

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 2010	0.212
Weighted average share price (RM)	1.04
Weighted average exercise price (RM)	1.10
Expected volatility (%)	40
Expected life (years)	5
Risk-free Interest rate (%)	2.3
Expected dividend yield (%)	<u>2.88</u>

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

**(Incorporated in Malaysia)**

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JANUARY 2012**

2011 Options

	Outstanding as at 01.11.2011	Number of options over ordinary shares of RM0.50 each Movement during the financial period			Outstanding as at 31.1.2012	Exercisable as at 31.1.2012
		← Granted	Exercised	→ Lapsed		
2011 Options	-	6,578,000	-	-	6,578,000	6,578,000
	-	6,578,000	-	-	6,578,000	6,578,000
Weighted average exercise price (RM)		1.34	1.34	1.34	1.34	1.34
Weighted average remaining contractual life (months)	-					45

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

	Weighted average RM	Exercise period
2011 Options	1.34	22.12.2011 - 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:

The following table lists the inputs to the option pricing models for the financial period ended 31 January 2012:

22 December 2011

Weighted average share price (RM)	1.36
Weighted average exercise price (RM)	1.34
Expected volatility (%)	32
Expected life (years)	4
Risk-free Interest rate (%)	3.221
Expected dividend yield (%)	1.31

**CYPARK RESOURCES BERHAD (Company No: 642994-H)**  
**(Incorporated in Malaysia)**  
**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JANUARY 2012**

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

The Group's borrowings and debts securities as at 31 January 2012 are as follows:-

	<b>RM</b>
<b>Short term borrowings</b>	
Secured:	
Bank overdrafts	55,449,150
Trust receipts	17,444,252
Hire purchase	252,398
Revolving credit	<u>28,800,000</u>
	<u>101,945,800</u>
<b>Long term borrowings</b>	
Secured:	
Hire purchase	1,226,814
Term loan	<u>65,000,000</u>
	<u>66,226,814</u>
<b>Total borrowings</b>	
Secured:	
Bank overdrafts	55,449,150
Trust receipts	17,444,252
Hire purchase	1,479,212
Term loan	65,000,000
Revolving credit	<u>28,800,000</u>
	<u>168,172,614</u>

**B11. Off Balance Sheet Financial Instruments**

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



**B12. Material Litigation**

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

**a. 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. Full trial was carried out on 13 and 16 May 2011 and 5 September 2011. The case closed with CSB's counsel having called altogether six witnesses to testify in the trial. Both parties had thereafter been directed by the court to submit their written submission by 17 November 2011 and further directed to file the reply submission by 8 December 2011. On 10 January 2012, the High Court ordered the sum of RM1,894,720.49 to be paid to the Plaintiff. CSB has filed an appeal against the judgement on 3 February 2012, pending fixed date for hearing. CSB has further filed an application to the High Court for stay of execution and the hearing has been fixed on 2 April 2012.

**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 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. The matter has been referred to Arbitration pursuant to Section 24A of the Courts of Judicature 1964.

A preliminary meeting was held by the Arbitrator on 6 December 2010 at the Malaysian Institute of Arbitrators and subsequently further hearing dates for continued trials on 21 and 22 April 2011, 26 and 27 September 2011 and, 11 and 12 October 2011 with the Plaintiff's witnesses testifying during the trials and closing its case.

The Arbitrator has fixed the following dates for Arbitration hearing with the Defendant's witnesses testifying on the following dates fixed for trial:

4th January 2012  
5th January 2012  
8th February 2012  
9th February 2012  
21st March 2012  
22nd March 2012

As the matter is referred to Arbitration pursuant to Section 24A of the Court of Judicature Act 1964, the judge had requested parties to consider withdrawing the suit in the Court and the parties be bound by the Arbitrators award. On 2 December 2011, parties agreed to the withdrawal of the High Court suit, subject to the following terms and conditions:

- (1) Arbitration proceedings to conclude and the award and the decision by the Arbitrator shall be binding on parties in accordance with Arbitration Act 2005 and;
- (2) The award made by the Arbitrator shall take into account all legal costs, interests and expenses incurred during the commencement of the High Court suit until the withdrawal of the suit in Court.

**CYPARK RESOURCES BERHAD (Company No: 642994-H)**  
**(Incorporated in Malaysia)**  
**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JANUARY 2012**

**B12. Material Litigation (cont'd)**

**b. YNK Construction Sdn Bhd ("Plaintiff") v CSB (cont'd)**

In defending the suit, the Defendant had engaged an independent registered quantity surveyor to form his professional opinion on the method of valuation and recommendation of final valuation for the construction of box culvert done by the Plaintiff. The Independent expert quantity surveyor shall testify for the Defendant during the fixed dates mentioned above.

Arbitration proceedings with hearing dates for continued trial remain as mentioned above except for the following dates - 9 February 2012, 21 March 2012 and 22 March 2012, which were subsequently vacated by the Arbitrator and fixed for continued trial before the Arbitrator on 17 and 27 July 2012 at the Malaysian Institute of Arbitration.

**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. The matter was fixed for trial on 7, 8, and 9 June 2011 and 6 July 2011. Written submissions by both Plaintiff and Defendant's counsels were made to court on 18 August 2011 and the court has fixed 24 August 2011 for the decision to be heard. However on 24 August 2011, the judge was not ready with the decision and has fixed 7 October 2011 for the decision to parties.

On 7 October 2011, the Court had allowed the Plaintiff's claim and dismissed CSB's counterclaim with costs. Subsequently, on 17 October 2011, CSB filed a Notice of Appeal which is currently pending the provision of grounds from the Judge.

**B13. Realised and unrealised profits or losses of the Group**

	<b>Current quarter As at 31 January 2012 RM</b>	<b>Preceding quarter As at 31 October 2011 RM</b>
Total retained earnings of the Group and its subsidiaries		
Realised	61,369,581	54,905,388
Unrealised	(166,681)	(215,977)
	61,202,900	54,689,411
Add : Consolidation adjustments	(1,023,652)	(1,023,652)
Retained Earnings as per financial statements	60,179,248	53,665,759

**B14. Dividends**

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

**CYPARK RESOURCES BERHAD (Company No: 642994-H)**  
**(Incorporated in Malaysia)**  
**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JANUARY 2012**

**B15. Earnings Per Share**

The following reflect the profit and share data used in the computation of basic and diluted earnings per share for the quarter ended 31 January 2012:

	<b>Quarter ended</b>		<b>Year to date ended</b>	
	<b>31/1/2012</b>	<b>31/1/2011</b>	<b>31/1/2012</b>	<b>31/1/2011</b>
Profit net of tax attributable to owners of the parent used in the computation of basic and diluted earnings per share	6,546,728	6,550,989	6,546,728	6,550,989
Add back: Loss from discontinued operation, net of tax, attributable to owners of the parent	33,239	-	33,239	-
Profit net of tax from continuing operations attributable to owners of the parent used in the computation of basic and diluted earnings per share	<u>6,579,967</u>	<u>6,550,989</u>	<u>6,579,967</u>	<u>6,550,989</u>
Weighted average number of ordinary shares for basic earnings per share computation	145,000,000	145,000,000	145,000,000	145,000,000
Effects of dilution - share options	<u>10,130,000</u>	<u>3,630,000</u>	<u>10,130,000</u>	<u>3,630,000</u>
Weighted average number of ordinary shares for diluted earnings per share computation	<u>155,130,000</u>	<u>148,630,000</u>	<u>155,130,000</u>	<u>148,630,000</u>

**B16. Authorisation for issue**

The interim financial statements were authorised for issue by the Board of Directors on 23 March 2012.