

CYPARK RESOURCES BERHAD (642994-H)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 April 2012
For the Second Quarter ended 30 April 2012

	<u>Individual Quarter</u>		<u>Cumulative Period</u>	
	<u>Current Year</u> <u>Quarter</u> <u>30/04/2012</u> <u>RM</u>	<u>Preceding Year</u> <u>Quarter</u> <u>30/04/2011</u> <u>RM</u>	<u>Current Year</u> <u>To Date</u> <u>30/04/2012</u> <u>RM</u>	<u>Preceding Year</u> <u>To Date</u> <u>30/04/2011</u> <u>RM</u>
Continuing operations				
Revenue	43,602,374	40,943,690	85,869,454	83,275,566
Cost of sales	(28,859,624)	(30,506,189)	(59,080,266)	(61,335,086)
Gross profit	14,742,750	10,437,501	26,789,188	21,940,480
Other income	561,816	725,397	1,130,568	1,185,031
Administrative expenses	(2,741,350)	(2,188,030)	(4,757,130)	(3,870,849)
Operating profit	12,563,216	8,974,868	23,162,626	19,254,663
Finance costs	(2,230,439)	(1,363,116)	(4,214,714)	(3,011,503)
Profit before tax from continuing operations	10,332,778	7,611,752	18,947,912	16,243,160
Income tax expense	(2,542,373)	(1,390,140)	(4,809,426)	(3,470,558)
Profit from continuing operations, net of tax	7,790,405	6,221,612	14,138,486	12,772,601
Discontinued operation				
Loss from discontinued operations, net of tax	-	-	(33,239)	-
Profit net of tax	7,790,405	6,221,612	14,105,247	12,772,601
Other comprehensive income:				
Foreign statutory reserve	-	(2,607)	-	(3,828)
Foreign currency translation	-	(7,963)	-	(245)
Other comprehensive income for the year, net of tax	-	(10,570)	-	(4,073)
Total comprehensive income for the year, attributable to owners of the parent	7,790,405	6,211,042	14,105,247	12,768,528
Earnings per share attributable to owners of the parent (sen per share)				
- Basic	5.05	4.29	9.15	8.81
- Diluted	4.78	4.19	8.65	8.59
Earnings per share from continuing operations attributable to owners of the parent (sen per share)				
- Basic	5.05	4.29	9.17	8.81
- Diluted	4.78	4.18	8.68	8.59
Loss per share from discontinued operation attributable to owners of the parent (sen per share)				
- Basic	-	-	(0.02)	-
- Diluted	-	-	(0.02)	-

Note: 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 (642994-H)
Unaudited Condensed Consolidated Statements of Financial Position
As at 30 April 2012

	Unaudited As At 30/04/2012	Audited As At 31/10/2011
	RM	RM
Assets		
Non-current assets		
Plant and equipment	89,810,505	5,886,880
Intangible assets	297,316	297,316
Deferred tax assets	397,132	150,117
Long term trade receivables	<u>1,374,394</u>	<u>1,203,896</u>
	<u>91,879,347</u>	<u>7,538,209</u>
Current assets		
Trade and other receivables	240,587,756	232,372,779
Other current assets	306,519	542,067
Project development cost	749,460	-
Cash and bank balances	<u>93,628,802</u>	<u>76,932,485</u>
	<u>335,272,537</u>	<u>309,847,331</u>
Assets of disposal group classified as held for sale	<u>-</u>	<u>23,765,480</u>
	<u>335,272,537</u>	<u>333,612,811</u>
Total assets	<u>427,151,884</u>	<u>341,151,020</u>
Equity and liabilities		
Current liabilities		
Provision	-	1,894,720
Loans and borrowings	84,552,748	114,725,474
Trade and other payables	97,260,492	81,245,369
Tax payables	<u>4,293,455</u>	<u>3,888,662</u>
	<u>186,106,695</u>	<u>201,754,225</u>
Liabilities of disposal group classified as held for sale	<u>-</u>	<u>23,070,772</u>
	<u>186,106,695</u>	<u>224,824,997</u>
Net current assets	<u>149,165,842</u>	<u>108,787,814</u>
Non-current liabilities		
Loans and borrowings	84,539,754	1,282,068
Trade and other payables	9,876,210	9,344,672
Deferred tax liabilities	<u>343,422</u>	<u>343,422</u>
	<u>94,759,386</u>	<u>10,970,162</u>
Total liabilities	<u>280,866,081</u>	<u>235,795,159</u>
Net assets	<u>146,285,803</u>	<u>105,355,861</u>
Equity attributable to equity holders of the Company		
Share capital	79,918,750	72,500,000
Share premium	33,908,766	15,163,246
Reverse acquisition reserve	(36,700,000)	(36,700,000)
Share option reserve	1,440,994	774,714
Retained earnings	67,717,294	53,665,759
Reserve of disposal group classified as held for sale	<u>-</u>	<u>(47,858)</u>
Total equity	<u>146,285,804</u>	<u>105,355,861</u>
Total equity and liabilities	<u>427,151,884</u>	<u>341,151,020</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.92	0.60

Note: 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 (642994-H)

Statements of Changes In Equity

For the Second Quarter ended 30 April 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
2012									
Group									
Opening balance at 1 November 2011	72,500,000	15,163,246	774,714	-	-	(36,700,000)	(47,858)	53,665,759	105,355,861
Total comprehensive income	-	-	-	-	-	-	(5,854)	14,105,247	14,099,393
Transactions with owners									
Issued of ordinary shares:									
- Private Placement	7,250,000	18,850,000	-	-	-	-	-	-	26,100,000
- ESOS	168,750	313,850	(72,350)	-	-	-	-	-	410,250
Share issuance expense	-	(418,330)	-	-	-	-	-	-	(418,330)
Disposal of a subsidiary							53,712	(53,712)	-
Grant of equity-settled share options to employees	-	-	738,631	-	-	-	-	-	738,631
Total transactions with owners	7,418,750	18,745,520	666,281	-	-	-	53,712	(53,712)	26,830,551
Closing balance at 30 April 2012	79,918,750	33,908,766	1,440,995	-	-	(36,700,000)	-	67,717,294	146,285,804
2011									
Group									
Opening balance at 1 November 2010	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
Total comprehensive income	-	-	-	(245)	(3,828)	-	-	12,772,601	12,768,528
Transactions with owners									
Share issuance expense	-	(73,500)	-	-	-	-	-	-	(73,500)
Total transactions with owners	-	(73,500)	-	-	-	-	-	-	(73,500)
Closing balance at 30 April 2011	72,500,000	15,131,019	-	(126,416)	81,173	(36,700,000)	-	49,669,185	100,554,961

Note: 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 (642994-H)
Unaudited Condensed Consolidated Statements of Cash Flows
For the Second Quarter ended 30 April 2012

	6 months ended	
	30/04/2012	30/04/2011
	RM	RM
Cash flows from operating activities		
Profit before tax from continuing operations	18,947,912	16,243,160
Loss before tax from discontinued operations	(33,239)	-
	<u>18,914,673</u>	<u>16,243,160</u>
Adjustment for:		
Depreciation of plant and equipment	646,988	259,427
Gain on disposal of a subsidiary	(40,772)	
Other income	(16,439)	
Gain on disposal of plant and equipment	-	(221,261)
Grant of equity-settled share options to employees	738,631	-
Interest expense	4,214,714	3,011,503
Interest income	(1,044,552)	(890,967)
Operating profit before working capital changes	<u>23,413,242</u>	<u>18,401,862</u>
Changes in working capital:		
Receivables	(7,894,924)	(21,164,600)
Payables	14,138,926	28,798,520
Cash used in operation	<u>29,657,244</u>	<u>26,035,782</u>
Interest paid	(3,903,176)	(3,011,503)
Taxes paid	(4,651,647)	(3,480,444)
Net cash used in operating activities	<u>21,102,421</u>	<u>19,543,835</u>
Cash flows from investing activities		
Disposal of a subsidiary	430,541	-
Acquisition of plant and equipment	(84,858,278)	(1,260,281)
Proceeds from disposal of plant and equipment	-	244,200
Interest received	1,044,552	890,967
Net cash used in investing activities	<u>(83,383,185)</u>	<u>(125,114)</u>
Cash flows from financing activities		
Listing expense	-	(73,500)
Proceeds from issuance of ordinary shares net of transaction cost	26,091,918	-
Revolving credit, net	(3,200,000)	(4,200,000)
Short-term borrowings, net	(776,714)	(11,883,846)
Proceeds from term loan	65,000,000	-
Hire purchase obligations, net	(130,563)	(280,765)
Net cash generated from financing activities	<u>86,984,641</u>	<u>(16,438,111)</u>
Net increase in cash and cash equivalents	24,703,877	2,980,610
Cash and cash equivalents at beginning of financial period	6,744,431	17,508,459
Effects of foreign exchange rate changes	-	(97,528)
Cash and cash equivalents at end of financial period	<u>31,448,308</u>	<u>20,391,541</u>
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances	93,628,672	72,592,041
Bank overdrafts	(62,180,364)	(52,200,500)
	<u>31,448,308</u>	<u>20,391,541</u>

Note: 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:

	Effective for annual periods beginning on or after
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.

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A2. Change in accounting policies (cont'd)

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:

	Effective for annual periods beginning on or after
Amendments to FRS 1 : Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	1 January 2012
Amendments to FRS 1 : Government Loan	1 January 2013
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 2013
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.

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.

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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 interim ordinary dividend has been recommended for the quarter under review.

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

- 1) Environmental engineering
- 2) Landscaping and Infrastructure
- 3) Maintenance
- 4) Renewable energy

	Environmental Engineering RM	Landscaping & Infrastructure RM	Maintenance RM	Renewable Energy RM	Elimination RM	Total RM
6 months ended 30 April 2012						
Revenue						
Sale to external customers	68,645,375	15,806,403	481,800	935,876	-	85,869,454
Inter-segment sales	8,947,241	-	456,000		(9,403,241)	-
Total revenue	77,592,616	15,806,403	937,800	935,876	(9,403,241)	85,869,454
Results						
Segment results						23,162,626
Finance costs						(4,214,714)
Profit before taxation from continuing operations						18,947,912
Income tax expense						(4,809,426)
Profit from continuing operations, net of tax						14,138,486
Loss from discontinued operations, net of tax						(33,239)
Profit net of tax						14,105,247
Other Comprehensive Income						
- Foreign currency translation						-
Total comprehensive income						14,105,247

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A9. The Group is organised into the following business segments:- (cont'd)

	Environmental		Renewable		Total
	Engineering	Landscaping	Maintenance	Energy Elimination	
	RM	RM	RM	RM	RM
6 months ended 30 April 2011					
Revenue					
Sale to external customers	80,247,552	2,546,214	481,800	-	83,275,566
Inter-segment sales	40,975,145	-	456,000	(41,431,145)	-
Total revenue	<u>121,222,697</u>	<u>2,546,214</u>	<u>937,800</u>	<u>(41,431,145)</u>	<u>83,275,566</u>
Results					
Segment results					19,254,663
Finance costs					<u>(3,011,503)</u>
Profit before taxation from continuing operations					16,243,160
Income tax expense					<u>(3,470,558)</u>
Profit from continuing operations, net of tax					12,772,601
Other Comprehensive Income					<u>(4,073)</u>
Total comprehensive income					<u>12,768,528</u>

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 was no capital commitment for property, plant and equipment as at 30 April 2012.

	Capital Commitment as at 30 April 2012
Development of Integrated Renewable Energy Park comprises 8MW Solar PV and 2MW Biogas Power Plant at Pajam	<u>894,509</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 26 June 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 except for the disposal of the Group's entire 100% equity interest in Cypark Landscape Services Qatar W.L.L for a cash consideration of RM460,000.

A14. Contingent liabilities

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

	30/04/2012
	RM
Secured:	
- Performance bond guarantees favouring Government / Statutory bodies and companies acceptable to the banks for various projects	40,866,161
- Bank guarantees extended to Government in respect various projects of the Group	3,642,021
- Bank guarantees extended to third parties in respect various projects of the Group	100,000
Unsecured:	
- Corporate guarantees given to Government for projects	1,160,000
- Letter of credits given to suppliers for purchase of materials	4,356,026
- Corporate guarantees given to banks for credit facilities granted to subsidiaries	500,000
- Litigations claims	1,192,894
	<u>51,817,102</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:-

Related Party	Interested Promoter / Director / Substantial Shareholder / Key Management	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 30/04/2012 RM
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	678,510	2,089,990	2,089,990

B1. Analysis of performance

Current year Quarter ended 30 April 2012 Vs Preceding year Quarter ended 30 April 2011

The Group's revenue for 2Q2012 increased by 6.5% to RM43.6 million from RM40.9 million recorded in 2Q2011. Profit before tax for 2Q2012 increased by 33% to RM10.1 million from RM7.6 million recorded in 2Q2011. The details of the performance of the segments are as follows:

Environmental Engineering

The revenue for 2Q2012 decreased by 4% to RM37.2 million from RM39 million recorded in 2Q2011. This is mainly due to slightly lower billings generated from the 16 national landfill closure projects undertaken by the Group which are near to its final stage of completion. The profit before tax, however, increased by 29% from RM7.9 million in 2Q2011 to RM10.2 million in 2Q2012 due to lower project overhead cost incurred for the new landfill restoration and upgrading works and better margin from specialist works performed.

Landscaping & Infrastructure

Revenue for the landscaping and infrastructure division improved substantially to RM5.1 million in 2Q2012 from RM1.4 million in 2Q2011, or an increment of 204% compared to the preceding year quarter. This was mainly contributed by a project secured 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 RM1.4 million in 2Q2012 as compared to RM0.8 million recorded in 2Q2011.

Maintenance

For the maintenance division, there is no change in terms of revenue achieved in 2Q2012 as compared with 2Q2011. Revenue is from general maintenance works performed for certain landfill sites. Profit before tax was higher by 19% from RM187,000 in 2Q2011 to RM223,000 in 2Q2012.

Renewable Energy

The total amount of RM935,876 for current quarter represents the accrued revenue of green electricity generated from the solar farm in Pajam where export of power commences since March 2012.

Current financial period ended 30 April 2012 Vs Preceding financial period ended 30 April 2011

The Group's revenue for the current financial period increased by 3% to RM85.8 million from RM83.2 million recorded in the preceding financial period. Profit before tax for the current financial period increased substantially by 17% to RM18.9 million from RM16.2 million recorded in the preceding financial period. The details of the performance of the segments are as follows:

Environmental Engineering

The revenue for the current financial period decreased by 14% to RM68.6 million from RM80.2 million recorded in the preceding financial period. This is mainly due to the 16 national landfill closure projects undertaken by the Group are in the final stage of completion. Despite lower billing in the environmental engineering business, the profit before tax increased by 6% to RM18.9 million in the current financial period from RM17.9 million in the preceding financial period. This is mainly due to project cost saving and better margin on certain specialist works. In addition, the newly secured landfill closure and upgrading projects are starting to make contributions to the Group.

B1. Analysis of performance (Cont'd)

Landscaping & Infrastructure

Revenue for the landscaping and infrastructure division jumped substantially by 521% to RM15.8 million in the current financial period from RM2.5 million in the preceding financial period. It was mainly contributed by the project secured for the Proposed Construction and Completion of Road Works, Bridge, Drainage, Utilities and Landscaping Works at Putrajaya. As a result, a higher operating profit is recorded with the achievement of RM3.3 million in the current financial period as compared to RM0.9 million in the preceding financial period.

Maintenance

For the maintenance division, there is no change in terms of revenue achieved in the current financial period as compared with the preceding financial period. Revenue is from general maintenance works performed for certain landfill sites. Operating profit remains unchanged at RM353,000 in the current financial period as compared to RM358,000 in the preceding financial period.

Renewable Energy

The total amount of RM935,876 for current financial period represents the accrued revenue of green electricity generated from the solar farm in Pajam where export of power commences since March 2012. There were no export activities of green electricity prior to March 2012.

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

The revenue of the Group amounting to RM43.6 million for the current quarter represents an increase of 6% as compared to the immediate preceding quarter of RM40.9 million. The gross profit margin for the current quarter is 34% as compared to 26% recorded in the immediate preceding quarter mainly due to lower project overhead cost incurred.

The increase in administration expense from RM2.1 million in 1Q2012 to RM2.7 million in 2Q2012 was mainly attributed to the legal fees and stamp duties paid for the new banking facilities secured and higher administration cost to support new projects in this quarter.

The profit before tax of the Group increased significantly by 17%, from RM6.5 million in the immediate preceding quarter to RM7.6 million in current quarter. The higher profit of the Group in the current quarter is mainly due to better margin on specialist works.

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 continue benefiting from government projects earmarked under the RMK10.

B3. Prospects for the Current Financial Year (Cont'd)

The Group has ventured into renewable energy sector. The group's first Renewable Energy Park project in Pajam which involves the integration of two potential resources available at the landfill i.e. Solar and Landfill gas (Biogas) 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 major driver of renewable energy sector is the Renewable Energy Act ("RE Act") which was passed in April 2011 and the implementation of Sustainable Energy Development Authority ("SEDA") in September 2011. SEDA was set up to implement the target 5.5% renewable energy contribution to the national grid and manage renewable energy fund and Feed-In-Tariff formulated under the RE Act. SEDA has already received applications for renewable energy projects under the Feed-In-Tariff (FIT) mechanism and a significant number of projects have already been allocated, including to Cypark.

The renewable energy business is expected to contribute significantly and Cypark expects to secure additional quota once the new quota allocation is opened for application towards the end of 2012.

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 approved integrated waste management plant which includes waste to energy facility through public private partnership scheme is expected to boost the earning of the Group and enhance the financial position of the Group over the next 25 years. The concession agreement which is currently being finalised is expected to be signed soon.

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.

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 30/04/2012 RM	Cumulative Year todate 6 months ended 30/04/2012 RM
Profit before tax is stated after crediting:-		
- Interest income	503,381	1,044,552
- Other income including investment income	58,435	86,016
- Gain on disposal of quoted or unquoted investment or properties	N/A	N/A
Profit before tax is stated after charging:-		
- Interest expenses	2,230,439	4,214,714
- Depreciation	491,276	647,810
- Unrealised foreign exchange loss	(2,096)	(10,389)
- 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
- 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 period ended 30 April 2012.

B6. Income tax expense

	Current year quarter 30/04/2012 RM	Current year to date 30/4/2012 RM
Malaysia tax	2,754,471	5,056,441
Deferred tax	(212,098)	(247,015)
	2,542,373	4,809,426

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.

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B9. Status of corporate proposals

a. Private placement

On 3 March 2012, the Company announced its proposal to implement a private placement up to 15,522,800 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.

The utilisation of the proceeds raised is as follows:

Purpose	Proposed Utilisation	Actual Utilisation	Intended Timeframe for Utilisation	Deviation		Explanations
				Amount RM'000	%	
	RM'000	RM'000				
Working capital requirements	25,665	2,463	12 months	23,202	90.4	To be utilised in future quarters
Expenses	435	398	6 months	37	8.6	Adjusted to be utilised as working capital
	26,100	2,861				

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.

B9. Status of corporate proposals (Cont'd)

b. ESOS (cont'd)

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: -

	Title	Options Offered (RM)		Options Accepted (RM)
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

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 30/04/2012	Exercisable as at 30/04/2012
	Outstanding as at 1/11/2011	Granted	Movement during the financial period Exercised	Lapsed			
2010 option	3,650,000	-	175,000	-		3,475,000	3,475,000
Weighted average exercise price (RM)	1.10	1.10	1.10	1.10		1.10	1.10
Weighted average remaining contractual life (months)	48						42

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 option	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:

B9. Status of corporate proposals (cont'd)

b. ESOS (cont'd)

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 (%)	2.88

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

	Outstanding as at 1/11/2011	Number of options over ordinary shares of RM0.50 each Movement during the financial period			Outstanding as at 30/04/2012	Exercisable as at 30/04/2012
		Granted	Exercised	Lapsed		
2011 option	-	6,578,000	162,500	-	6,415,500	6,415,500
Weighted average exercise price (RM)	-	1.34	1.34	1.34	1.34	1.34
Weighted average remaining contractual life (months)	-					42

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

	Weighted average exercise price (RM)	Exercise period
2011 option	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:

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

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

B10. Group's borrowings and debts securities

The Group's borrowings and debts securities as at 30 April 2012 are as follows:-

	RM
Short term borrowings	
Secured:	
Bank overdrafts	62,180,363
Trust receipts	12,575,834
Hire purchase	296,550
Revolving credit	10,100,000
	<u>85,152,747</u>
Long term borrowings	
Secured:	
Hire purchase	1,339,754
Revolving credit	17,600,000
Term loan	65,000,000
	<u>83,939,754</u>
Total borrowings	
Secured:	
Bank overdrafts	62,180,363
Trust receipts	12,575,833
Hire purchase	1,636,304
Term loan	65,000,000
Revolving credit	27,700,000
	<u>169,092,501</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 is now fixed for the 30th May 2012.

In view of the Parties "Out of Court" settlement of RM1.6 million, payment made via cheque Alliance Bank No. 958898 dated 16.5.2012, the Defendant's lawyer had attended court on the 30th May 2012, and informed Her Ladyship Yang Arif Dato' Tengku Maimum that Parties have filed into court the Notice of Discontinuance in regard to the Defendant's stay Application. Notice of withdrawal of Appeal was also filed in the Court of Appeal, with no order to costs and without Liberty to file afresh.

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.

B12. Material Litigation

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

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.

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 the 26th and 27th 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

	Current Financial Period As at 30/04/2012 RM	Preceding Financial Year As at 31/10/2011 RM
Total retained earnings of the Group and its subsidiaries		
Realised	68,697,625	54,905,388
Unrealised	43,321	(215,977)
	68,740,946	54,689,411
Add: Consolidation adjustments	(1,023,652)	(1,023,652)
	67,717,294	53,665,759

B14. Dividends

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

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 30 April 2012:

	Quarter Ended		Year to date ended	
	30/04/2012	30/4/2011	30/04/2012	30/4/2011
Profit net of tax attributable to owners of the parent used in the computation of basic and diluted earnings per share	7,790,405	6,221,612	14,105,247	12,772,601
Add back: Loss from discontinued operation, net of tax, attributable to owners of the parent	-	-	(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	7,790,405	6,221,612	14,138,486	12,772,601
Weighted average number of ordinary shares for basic earnings per share computation	154,143,511	145,000,000	154,143,511	145,000,000
Effects of dilution - share options	8,834,529	10,150,000	8,834,529	10,150,000
Weighted average number of ordinary shares for diluted earnings per share computation	162,978,040	155,150,000	162,978,040	155,150,000

B16. Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors on 26 June 2012.