

**Unaudited Condensed Consolidated Statements of Comprehensive Income  
For the First Quarter ended 31 January 2018**

	<u>Individual Quarter</u>			<u>Cumulative Period</u>		
	Current Year	Preceding Year	Changes	Current Year	Preceding Year	Changes
	Quarter	Quarter		To Date	To Date	
	31 Jan 2018	31 Jan 2017	%	31 Jan 2018	31 Jan 2017	%
	RM	RM	%	RM	RM	%
<b>Revenue</b>	84,024,531	78,483,653	7%	84,024,531	78,483,653	7%
Cost of sales	(64,687,427)	(59,572,934)	9%	(64,687,427)	(59,572,934)	9%
<b>Gross profit</b>	19,337,104	18,910,719	2%	19,337,104	18,910,719	2%
Other income	738,117	762,963	-3%	738,117	762,963	-3%
Administrative expenses	(2,343,308)	(2,040,869)	15%	(2,343,308)	(2,040,869)	15%
<b>Operating profit</b>	17,731,913	17,632,813	1%	17,731,913	17,632,813	1%
Finance costs	(2,423,411)	(3,159,219)	-23%	(2,423,411)	(3,159,219)	-23%
	15,308,502	14,473,594	6%	15,308,502	14,473,594	6%
Share of results in associated companies	(20,502)	-		(20,502)	-	
<b>Profit before tax</b>	15,288,000	14,473,594	6%	15,288,000	14,473,594	6%
Income tax expense	(3,030,652)	(3,136,082)	-3%	(3,030,652)	(3,136,082)	-3%
<b>Profit for the year</b>	12,257,348	11,337,512	8%	12,257,348	11,337,512	8%
<b>Other comprehensive income</b>	-	-		-	-	
<b>Total comprehensive income for the year</b>	12,257,348	11,337,512	8%	12,257,348	11,337,512	8%
<b>Total comprehensive income attributable to:-</b>						
- Owners of the Company	12,257,796	11,337,512	8%	12,257,796	11,337,512	8%
- Non-controlling interest	(448)	-		(448)	-	
	12,257,348	11,337,512		12,257,348	11,337,512	
<b>Earnings per share attributable to owners of the parent (sen per share)</b>						
- Basic	4.69	4.48		4.69	4.48	
- Diluted	4.63	4.48		4.63	4.48	

*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 2017 and the accompanying notes attached to the unaudited interim financial statements.

**Unaudited Condensed Consolidated Statements of Financial Position  
As at 31 January 2018**

	<b>Unaudited As At 31 Jan 2018 RM</b>	<b>Audited As At 31 Oct 2017 RM</b>
<b>Assets</b>		
<b>Non-current assets</b>		
Plant and equipment	225,857,878	229,012,991
Intangible assets	735,379,536	705,707,792
Investment in associated companies	2,938,912	2,959,374
Deferred tax assets	509,242	516,325
Long term trade receivables	<u>3,673,095</u>	<u>3,629,439</u>
	<u>968,358,663</u>	<u>941,825,921</u>
<b>Current assets</b>		
Trade and other receivables	262,535,616	263,699,556
Other current assets	6,692,033	2,644,778
Tax recoverable	48,987	23,337
Cash and bank balances	<u>95,381,109</u>	<u>108,511,739</u>
	<u>364,657,745</u>	<u>374,879,410</u>
<b>Total assets</b>	<u>1,333,016,408</u>	<u>1,316,705,331</u>
<b>Equity and liabilities</b>		
<b>Current liabilities</b>		
Loans and borrowings	112,129,461	120,092,524
Trade and other payables	202,070,625	228,268,235
Tax payable	<u>4,893,255</u>	<u>4,996,750</u>
	<u>319,093,341</u>	<u>353,357,509</u>
<b>Net current assets</b>	<u>45,564,404</u>	<u>21,521,901</u>
<b>Non-current liabilities</b>		
Loans and borrowings	485,405,039	447,578,034
Trade and other payables	8,548,125	8,511,152
Deferred tax liabilities	<u>21,000</u>	<u>25,000</u>
	<u>493,974,164</u>	<u>456,114,186</u>
<b>Total liabilities</b>	<u>813,067,505</u>	<u>809,471,695</u>
<b>Net assets</b>	<u>519,948,903</u>	<u>507,233,636</u>
<b>Equity</b>		
Share capital	289,234,861	288,728,212
Reverse acquisition reserve	(36,700,000)	(36,700,000)
Share option reserve	4,428,415	4,477,145
Retained earnings	<u>262,987,148</u>	<u>250,729,352</u>
<b>Equity attributable to owners of the Company</b>	<u>519,950,424</u>	<u>507,234,709</u>
<b>Non-controlling interests</b>	<u>(1,521)</u>	<u>(1,073)</u>
<b>Total Equity</b>	<u>519,948,903</u>	<u>507,233,636</u>
<b>Total equity and liabilities</b>	<u>1,333,016,408</u>	<u>1,316,705,331</u>
Net assets per share attributable to owners of the Company (RM)	1.99	1.94

*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 2017 and the accompanying notes attached to the unaudited interim financial statements.*

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**Statements of Changes in Equity**  
**For the First Quarter ended 31 January 2018**

←——— Attributable to owners of the Company ———→  
 ←——— Non-distributable ———→      Distributable

	Share capital RM	Share premium RM	Share option reserve RM	Reverse acquisition reserve RM	Retained earnings RM	Total RM	Non-controlling interests RM	Equity Total RM
<b>2018</b>								
<b>Group</b>								
<b>Opening balance at 1 November 2017</b>	288,728,212	-	4,477,145	(36,700,000)	250,729,352	507,234,709	(1,073)	507,233,636
<b>Total comprehensive income</b>	-	-	-	-	12,257,796	12,257,796	(448)	12,257,348
<b>Transactions with owners</b>						-		
Exercise of employee share options	506,649		(48,730)	-	-	457,919	-	457,919
Total transactions with owners	506,649	-	(48,730)	-	-	457,919	-	457,919
<b>Closing balance at 31 January 2018</b>	289,234,861	-	4,428,415	(36,700,000)	262,987,148	519,950,424	(1,521)	519,948,903
<b>2017</b>								
<b>Group</b>								
<b>Opening balance at 1 November 2016</b>	126,469,236	144,160,784	-	(36,700,000)	206,390,752	440,320,772	-	440,320,772
<b>Total comprehensive income</b>	-	-	-	-	11,337,512	11,337,512	-	11,337,512
<b>Closing balance at 31 January 2017</b>	126,469,236	144,160,784	-	(36,700,000)	217,728,264	451,658,284	-	451,658,284

*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 2017 and the accompanying notes attached to the unaudited interim financial statements.*

**Unaudited Condensed Consolidated Statements of Cash Flows  
For the First Quarter ended 31 January 2018**

	<b>3 months ended</b>	
	<b>31 Jan 2018</b>	<b>31 Jan 2017</b>
	<b>RM</b>	<b>RM</b>
		<b>Restated</b>
<b>Cash flows from operating activities</b>		
Profit before tax	15,288,000	14,473,594
Adjustments for:		
Depreciation of plant and equipment	3,384,600	3,384,600
Share of results in associated companies	20,502	-
Unrealised foreign exchange loss	8,990	309,043
Profit from construction projects	(5,174,280)	(5,888,807)
Interest expense	2,423,411	3,159,219
Interest income	(720,365)	(720,365)
Operating cash flows before changes in working capital	<u>15,230,858</u>	<u>14,717,284</u>
Changes in working capital:		
Trade and other receivables	1,149,235	(18,835,553)
Other current assets	(4,047,255)	(687,087)
Trade and other payables	(26,216,139)	14,454,881
Cash flows generated from operations	<u>(13,883,301)</u>	<u>9,649,525</u>
Interest paid	(2,405,849)	(2,653,656)
Taxes paid	(3,156,714)	(1,497,103)
Net cash flows (used in)/generated from operating activities	<u>(19,445,864)</u>	<u>5,498,766</u>
<b>Cash flows from investing activities</b>		
Investment in associated company	(40)	(3,000,000)
Additions to intangible assets	(24,497,464)	(31,774,794)
Purchase of plant and equipment	(229,487)	(518,100)
Interest received	720,365	720,365
Net cash flows used in investing activities	<u>(24,006,626)</u>	<u>(34,572,529)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of ordinary shares		
- ESOS	457,919	-
Short term borrowings, net	(11,822,264)	(7,998,971)
Term loans, net	40,796,660	35,660,420
Finance lease obligations, net	(122,701)	(109,213)
Net cash flows generated from financing activities	<u>29,309,614</u>	<u>27,552,236</u>
<b>Net decreases in cash and cash equivalents</b>	<u>(14,142,876)</u>	<u>(1,521,527)</u>
<b>Cash and cash equivalents at beginning of financial year</b>	<u>108,511,739</u>	<u>113,364,178</u>
<b>Cash and cash equivalents at end of financial year</b>	<u>94,368,863</u>	<u>111,842,651</u>
<b>Cash and cash equivalents at the end of the financial year comprise the following:</b>		
Short term deposits with licensed banks	73,328,762	84,379,246
Cash at banks and in hand	22,052,347	28,463,827
Cash and bank balances	<u>95,381,109</u>	<u>112,843,073</u>
Less: Bank overdrafts	(1,012,246)	(1,000,422)
	<u>94,368,863</u>	<u>111,842,651</u>

**Notes:**

- (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 2017 and the accompanying notes attached to the unaudited interim financial statements.*
- (2) *The amount of cash and cash equivalents at beginning of financial period has been restated from the audited figures of RM103,468,664 to RM108,511,739 by including all the short term deposits with licensed banks and cash at banks and in hand.*

**NOTES TO THE INTERIM FINANCIAL REPORT****PART A: EXPLANATORY NOTES IN COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING****A1. Basis of Preparation**

The interim financial report is unaudited and has been prepared in accordance with *MFRS 134: Interim Financial Reporting*, issued by Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 October 2017. The explanatory notes attached to these interim financial statements provide an explanation of events and transactions that are significant to understand the changes in the financial position and performance of the Group since the financial year ended 31 October 2017.

**A2. Changes in accounting policies**

The significant accounting policies and computation methods are consistent with those adopted for the year ended 31 October 2017. At the date of authorisation of these interim financial statements, the Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments) that have been issued by the Malaysian Accounting Standards Board (MASB) but not yet effective:-

<b>MFRSs, Amendments to MFRSs and IC Interpretation</b>		<b>Effective for annual period beginning on or after</b>
MFRS 9	Financial Instruments (2014)	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
MFRS 16	Leases	1 January 2019
MFRS 17	Insurance Contracts	1 January 2021
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 9	Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures	1 January 2019
Amendments to MFRS 140	Transfers of Investment Property	1 January 2018
Amendments to MFRS 3, 11, 112, 123	Annual Improvements 2015 – 2017 Cycle	1 January 2019
Amendments to MFRS 1 & 128	Annual Improvements 2014 – 2016 Cycle	1 January 2018
IC Interpretations 22	Foreign Currency – Transactions and Advance Consideration	1 January 2018
IC Interpretations 23	Uncertainty over Income Tax Treatments	1 January 2019

The Group and the Company plan to adopt the above pronouncements when they become effective in the respective financial period. Unless otherwise stated, the initial application of the above pronouncements is not expected to have any significant impact on the Group and the Company.

**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 2017.

**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**

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.

**CYPARK RESOURCES BERHAD (642994-H)**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JANUARY 2018

**A9. Segmental Information**

The Group's segmental report for the financial year-to-date is as follows:

	<b>Environmental Engineering RM</b>	<b>Landscaping &amp; Infrastructure RM</b>	<b>Maintenance RM</b>	<b>Green Tech &amp; Renewable Energy RM</b>	<b>Elimination RM</b>	<b>Total RM</b>
<b>3 months ended 31 Jan 2018</b>						
<b>Revenue</b>						
Sale to external customers	63,523,249	7,793,075	1,726,749	10,981,458	-	84,024,531
Inter-segment sales	63,772,003	-	1,554,074	-	(65,326,077)	-
<b>Total revenue</b>	<b>127,295,252</b>	<b>7,793,075</b>	<b>3,280,823</b>	<b>10,981,458</b>	<b>(65,326,077)</b>	<b>84,024,531</b>
<b>Results</b>						
<b>Profit before tax</b>	10,947,704	1,285,308	561,193	2,493,796	-	15,288,000
Income tax expense						(3,030,652)
<b>Profit net of tax</b>						<b>12,257,348</b>
<b>3 months ended 31 Jan 2017</b>						
<b>Revenue</b>						
Sale to external customers	55,458,676	11,700,000	450,000	10,874,977	-	78,483,653
Inter-segment sales	44,394,160	4,750,000	-	-	(49,144,160)	-
<b>Total revenue</b>	<b>99,852,836</b>	<b>16,450,000</b>	<b>450,000</b>	<b>10,874,977</b>	<b>(49,144,160)</b>	<b>78,483,653</b>
<b>Results</b>						
<b>Profit before tax</b>	10,203,120	2,027,591	169,298	2,073,585	-	14,473,594
Income tax expense						(3,136,082)
<b>Profit net of tax</b>						<b>11,337,512</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 was no capital commitment as at 31 January 2018:-

Capital expenditure	RM
Approved and contracted for:-	
- Intangible assets	<u>15,434,207</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 2018, 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 current financial period under review, except as follows:-

- On 21 December 2017, the wholly owned subsidiary of the Group, Cypark Renewable Energy Sdn. Bhd., had incorporated a new 100% owned subsidiary, Cypark Lakeview Solar Sdn. Bhd. ("CLS") with an issued share capital of RM100 comprising 100 ordinary shares. The principal activity of the Company is to engage in the development of the renewable energy and solar project.



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**A14. Contingent liabilities**

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

	<b>31 Jan 2018</b>
	<b>RM</b>
<b>Secured:</b>	
- Performance bond/tender bond guarantees favouring Government/ Statutory bodies and companies acceptable to the banks for various projects	42,536,427
- Bank guarantees extended to Government/Government Bodies in respect of various projects of the Group	9,541,500
- Bank guarantees extended to third parties in respect various projects of the Group	600,000
	<u>52,677,927</u>
<b>Unsecured:</b>	
- Corporate guarantees given to banks for credit facilities granted to subsidiaries	755,220,000
	<u>755,220,000</u>
<b>TOTAL</b>	<u>807,897,927</u>

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

**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 31 Jan 2018 RM
CyEn Resources Sdn Bhd	Dato' Daud bin Ahmad, Tan Sri Razali bin Ismail and Tan Swee Loon	Sub-contractor charges and consulting fees paid for environmental / landscape works	7,450,512	7,450,512	6,713,920

**B1. Analysis of performance****Current Year Quarter ended 31 January 2018 vs Preceding Year Quarter ended 31 January 2017**

The Group's revenue for 1Q2018 increased by RM5.5 million or 7.1% to RM84.0 million as compared to RM78.5 million recorded in 1Q2017. The profit before tax for 1Q2018 increased by RM0.8 million or 5.6% to RM15.3 million from RM14.5 million as recorded in 1Q2017 due mainly to contribution of income from projects secured in Environmental Engineering division and Maintenance division. The Group's profit after tax ("PAT") for 1Q2018 increased by RM0.9 million or 8.1% to RM12.3 million from RM11.3 million as recorded in preceding year quarter.

The details of the performance of each segment are as follows:-

**Environmental Engineering**

The revenue for 1Q2018 increased substantially by RM8.1 million or 14.5% to RM63.5 million as compared to RM55.5 million as recorded in 1Q2017. This was mainly due to increase in progress of works for the new projects secured in this division. In line with the increase in the revenue, the profit before tax in current quarter increased by RM0.7 million or 7.3% to RM10.9 million from RM10.2 million in 1Q2017. This was mainly due to the increase in work activities of the projects secured in this division in 4Q2017.

**Landscaping & Infrastructure**

The revenue for 1Q2018 decreased by RM3.9 million or 33.4% to RM7.8 million as compared to RM11.7 million recorded in 1Q2017. The profit before tax for this division accordingly also decreased by RM0.7 million to RM1.3 million as compared to RM2.0 million recorded in 1Q2017. These decreases were mainly due to the completion of major works of some projects secured in this division since previous quarters and some were at the handover stage with clients, while the work activities for the new projects secured was still low during the preliminary stages.

**Maintenance (Operation & Maintenance)**

The revenue generated by this division for current quarter increased substantially by RM1.3 million or 284% to RM1.7 million as compared to RM0.4 million in 1Q2017. In line with the increase in revenue, the profit before tax also increased significantly to RM0.6 million from RM0.2 million recorded in 1Q2017. The higher revenue and profit were mainly contributed by the implementation of the specialist maintenance works on leachate treatment plants which were secured since 3Q2017.

**Green Tech & Renewable Energy**

The revenue for green tech & renewable energy division for current quarter increased slightly by RM0.1 million or 1.0% to RM11.0 million as compared to RM10.9 million recorded in 1Q2017. However, the profit before tax of this division increased by RM0.4 million or 20.3% to RM2.5 million as compared to RM2.1 million recorded in 1Q2017. This was mainly contributed by the saving achieved in finance costs in current quarter.

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

The revenue of the Group for the current quarter increased by 30.9% or RM19.8 million to RM84.0 million as compared to RM64.2 million recorded in the immediate preceding quarter. The increase was mainly due to the higher work activities of the environmental engineering projects in current quarter. Despite the significant increase in revenue, the profit before tax of the Group decreased substantially by RM5.9 million or 27.9% to RM15.3 million as compared to RM21.2 million recorded in the immediate preceding quarter. This was mainly due to higher project costs incurred for certain environmental engineering projects which were at its final stage of completion in current quarter. In addition, the higher profit recorded in immediate preceding quarter was partly due to the reversal of unutilised bonus provision made in that quarter as year-end adjustments.

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

The national market in environmental engineering, renewable energy, and green technology is expected to improve in 2018. This is mainly due to national policies and incentives which provide opportunities for green technology and renewable energy players to enhance their business activities and market presence. The favourable outlook in this area is in line with the global agenda which foresees stronger commitment towards the allocation of more resources for green technology and renewable energy.

Embarking into its prospective years, Cypark foresees that the improving financial performance will continue its momentum. In the next phase of the business transformation, Cypark will continue to focus on managing cost and investment, optimising manpower and operation, and increasing productivity and efficacy; eventually boosting its market share and competitive advantage. Cypark will continue to enhance its resources in research and development for continuous innovations and creativity as a solution provider in environmental engineering, green technology, and renewable energy. Cypark will continue its spearheading role in harnessing the abundance of the natural resources by applying the wealth of human creativity towards providing innovative solutions to environmental problems.

The emphasis for the future is to foster its four main business segments: renewable energy; green technology; environmental engineering and solutions; and construction & engineering. The Company expects to put more resources into the four segments through which Cypark anticipates to enhance its capacity to realise future opportunities.

**Renewable Energy**

The prospect for renewable energy looks promising. Based on the projects currently secured, Cypark expects its total renewable energy plant capacity to jump four fold to more than 120 MW by 2020. Cypark's recent win in LSS 2 is also expected to enhance credibility and strengthen the Company's market position in the industry, thus foster its competitiveness in the future bidding processes.

Government policies and incentives, for examples, the continuous implementation of Net Energy Metering Programme by SEDA, Green Technology Master Plan 2017 – 2030 and Energy Efficiency Action Plan, are expected to continue to be the drivers for the opportunities and further boost the industry.

Cypark has completed the installation of the nation's first and largest grid connected floating solar system which is constructed on water. The one acre project of 270kw floating solar system at Sepri Dam, Negeri Sembilan has transformed how solar project will be developed in the future. The recent successful award of 30.00 MWa.c. LSS floating solar project at Empangan Terip, Negeri Sembilan by the Energy Commission to Cypark bodes well with Cypark's innovative approach. Once completed, the floating solar project will become one of the largest of its kind in the world. The project is expected to contribute to the Company's sustainability.

As Cypark has been shifting from short/medium-term based revenue to concession-generated income, the expected completion of Ladang Tanah Merah is foreseen to contribute substantially to the Company's stable and sustainable revenue as it is anticipated that RM80 million will be generated annually over the 25-year concession period. 2018 will also see revenue contribution from Cypark's biogas-to-energy project upon the commissioning of its Fully Anaerobic Bioreactor System (FABIOS) in Ladang Tanah Merah.

**Green Technology**

Cypark will continue to enhance efforts and resources in research and development to develop business opportunities from energy storage, exportable Biomass Solid Fuels (BSF) and Energy Efficiency (EE) projects. The projects are expected to contribute to Cypark's revenue growth in the green technology segment. The Company will expand export of Biomass Green Pellet made from Empty Fruit Bunches (EFB) to selected regional markets with large potential market size.

Cypark has also identified future opportunities to develop Net Energy Metering (NEM) Project as offered by Malaysia's SEDA, Energy Efficiency Project and Energy Storage Technology to manage supply of electricity in creating a more flexible and strong energy infrastructure and energy from diesel replacement projects.

**B3. Prospects for the Current Financial Year – cont'd**Environmental Engineering & Solutions

The segment is expected to contribute significantly to Cypark's sustainable income and financial performance through long-term government's contracts in operation and management (O&M) of several leachate treatment plants and collection of tipping fees from sanitary landfill operations.

Cypark's strengths in experience and expertise as the local pioneering company in providing environmental engineering solutions are expected to foster the Company's chance to secure more future projects in waste water treatment, sanitary landfills, waste management facilities, and closure of dump sites. To date, Cypark's experienced team has successfully completed more than 600 acres of remediation and restoration work of contaminated ground spanning over 20 landfill projects across the country.

Construction Engineering

In 2018, construction engineering segment is expected to continue to be full of business activities as the segment is the main contractor for Cypark's new and on-going renewable energy and environmental engineering projects. The Company will also increase its efforts and resources to secure more projects in construction of infrastructure, landscaping, as well as residential and commercial buildings, which includes a comprehensive engineering and construction service cycle – from feasibility study to conceptual and detailed design; procurement and logistic to direct construction and project management to testing and commissioning.

**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		Cumulative Period	
	Current Year Quarter 31 Jan 2018	Preceding Year Quarter 31 Jan 2017	Current Year To Date 31 Jan 2018	Preceding Year To Date 31 Jan 2017
Profit before tax is stated after crediting:-				
Interest income	628,110	720,365	628,110	720,365
Other income (including investment income)	110,007	42,598	110,007	42,598
Profit before tax is stated after charging:-				
Interest expenses	2,423,411	3,159,219	2,423,411	3,159,219
Depreciation	3,331,143	3,384,600	3,331,143	3,384,600
Foreign exchange (gain)/loss - unrealised	8,990	309,043	8,990	309,043
Provision for impairment loss on trade receivables	N/A	N/A	N/A	N/A
Provision for and write off of inventories	N/A	N/A	N/A	N/A
Impairment of assets	N/A	N/A	N/A	N/A
Loss on derivatives	N/A	N/A	N/A	N/A
Exceptional items	N/A	N/A	N/A	N/A

**B6. Income tax expense**

	Individual Quarter		Cumulative Period	
	Current Year Quarter 31 Jan 2018 RM	Preceding Year Quarter 31 Jan 2017 RM	Current Year To Date 31 Jan 2018 RM	Preceding Year To Date 31 Jan 2017 RM
Income tax				
- Current	3,027,569	3,217,999	3,027,569	3,217,999
Deferred tax	3,083	(81,917)	3,083	(81,917)
	<u>3,030,652</u>	<u>3,136,082</u>	<u>3,030,652</u>	<u>3,136,082</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.

**B9. Status of corporate proposals**

Save as disclosed below, there was no corporate proposal announced but not completed as at the date of this report:-

**a. New ESOS**

The Company's new employee share option scheme of up to fifteen percent (15%) of the issued and paid-up share capital of CRB for the eligible employees and Directors of CRB and its subsidiaries ("ESOS") was approved by the shareholders of CRB at the Tenth (10<sup>th</sup>) Annual General Meeting, which was convened on 21 April 2015. The effective date for the implementation of the New ESOS was 19 October 2015, as announced on the even date. The ESOS shall be for a duration of five (5) years and will be expired on 18 October 2020.

A total of 23,100,000 ESOS options ("2017 Options") under the ESOS Scheme was offered to eligible directors and employees at RM2.12 on 26 April 2017 and were fully accepted by all eligible directors and employees on 16 May 2017.

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

Directors	2017 Options Offered (Unit)	Options Accepted (Unit)
Tan Sri Razali bin Ismail	3,000,000	3,000,000
Dato' Daud bin Ahmad	9,000,000	9,000,000
Dato' Dr. Freezailah bin Che Yeom	150,000	150,000
Headir bin Mahfidz	150,000	150,000
Megat Abdul Munir bin Megat Abdullah Rafaie	150,000	150,000
Datuk Abdul Malek bin Abdul Aziz	150,000	150,000

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 1.11.2017	Granted	Movement during the financial period Exercised	Lapsed	Outstanding as at 31.1.2018	Exercisable as at 31.1.2018
2017 option	19,845,500	-	(216,000)	-	19,629,500	19,629,500
Weighted average exercise price (RM)	2.12	2.12	2.12	2.12	2.12	2.12
Weighted average remaining contractual life (months)	36					33

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

	Weighted average exercise price (RM)	Exercise period
2017 option	2.12	26.4.2017 – 18.10.2020

The fair value of share options granted during the financial period was estimated using the binomial simulation model, taking into account the terms and conditions upon which the options were granted. The inputs to the option pricing model are as follows:-

Weighted average share price (RM)	2.40
Weighted average exercise price (RM)	2.12
Expected volatility (%)	24.82
Expected life (years)	3.48
Risk-free Interest rate (%)	3.73
Expected dividend yield (%)	2.47

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

The Group's borrowings and debts securities as at 31 January 2018 are as follows:-

	<b>31 Jan 2018</b>	<b>31 Jan 2017</b>
	<b>RM</b>	<b>RM</b>
<b>Short term borrowings</b>		
Secured:-		
Bank overdrafts	1,012,246	1,000,422
Trust receipts	35,800,931	45,164,509
Finance lease	517,964	425,832
Term loans	26,798,320	17,358,320
Revolving credits	48,000,000	48,000,000
	<u>112,129,461</u>	<u>111,949,083</u>
<b>Long term borrowings</b>		
Secured:-		
Finance lease	1,686,907	1,242,379
Term loans	483,718,132	358,432,204
	<u>485,405,039</u>	<u>359,674,583</u>
<b>Total borrowings</b>		
Secured:-		
Bank overdrafts	1,012,246	1,000,422
Trust receipts	35,800,931	45,164,509
Finance lease	2,204,871	1,668,211
Term loans	510,516,452	375,790,524
Revolving credits	48,000,000	48,000,000
	<u>597,534,500</u>	<u>471,623,666</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. Huls Engineering Sdn. Bhd. (“Plaintiff”) v Cypark Sdn. Bhd. (“Defendant”) (Shah Alam High Court Suit No.: BA-22C-35-07/2017)**

The purported claim dispute between HULS Engineering Sdn Bhd (“HULS”) and Cypark Sdn Bhd (“CSB”) revolves around the “Supply, Delivery and Installation of Geosynthetic Clay Liner and Drainage Layer” between the Plaintiff and the Defendant awarded works vide numerous Letters of Award (“Letters of Award”).

The Plaintiff has filed a civil suit against CSB in Shah Alam High Court claiming, inter alia, for the sum of RM3,079,013.86 being the purported alleged outstanding sum due and payable by the Defendant to the Plaintiff for the Geosynthetic Clay Liner and Drainage Layer supplied and delivered claimed by the Plaintiff to the Defendant.

CSB, as the Defendant through its Advocates & Solicitors, has filed the statement of defence and counterclaim on the 18.08.2017, on the basis that the Defendant has already made payment amounting to RM29,366,991.34 to the Plaintiff to date for all the work done.

Further the statement of defence upholds that the Plaintiff has not complied with the terms and conditions of the Contract and failed to complete the contracted Works. Defendant as a result has suffered losses in carrying out the incomplete Works. As such, the Defendant in its counterclaim has prayed for the court to assess the costs incurred by the Defendant to complete the Works.

Furthermore, the Defendant is contractually entitled to retain retention sums, as stated in its defence. The Defendant also counterclaims Liquidated and Ascertained Damages (LAD) as provided for under the Contract, whereby the LAD of RM3,000.00 per day is calculated on delay from the original completion date under the Contract until the actual completion date of the Subcontract works.

Defendant further claims interests on the counterclaim, costs and any other relief deemed just and fit by the Court.

Trial dates were fixed by the Court from 14.5.2018 to 17.5.2018.



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

**B14. 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 2018:-

	Individual Quarter		Cumulative Period	
	Current Year Quarter 31 Jan 2018 RM	Preceding Year Quarter 31 Jan 2017 RM	Current Year To Date 31 Jan 2018 RM	Preceding Year To Date 31 Jan 2017 RM
Profit net of tax, representing total comprehensive income attributable to owners of the parent used in the computation of the basic and diluted earnings per share	12,257,796	11,337,512	12,257,796	11,337,512
Weighted average number of ordinary shares for basic earnings per shares computation	261,159,868	252,938,472	261,159,868	252,938,472
Effects of dilution - share options	3,644,811	-	3,644,811	-
Weighted average number of ordinary shares for diluted earnings per share computation	264,804,678	252,938,472	264,804,678	252,938,472