

**CYPARK RESOURCES BERHAD**  
[Registration No. 200401004491 (642994-H)]  
(Incorporated in Malaysia)

**SUMMARY OF THE KEY MATTERS DISCUSSED AT THE POSTPONED FIFTEENTH ANNUAL GENERAL MEETING OF THE COMPANY HELD ON A FULLY VIRTUAL BASIS AT THE BROADCAST VENUE: MEETING ROOM, SECURITIES SERVICES (HOLDINGS) SDN. BHD., LEVEL 7, MENARA MILENIUM, JALAN DAMANLELA, PUSAT BANDAR DAMANSARA, DAMANSARA HEIGHTS, 50490 KUALA LUMPUR, WILAYAH PERSEKUTUAN ON THURSDAY, 18 JUNE 2020 AT 10:00 A.M. (“the Meeting”)**

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**1. CHAIRMAN**

Tan Sri Razali Bin Ismail (“**Tan Sri Chairman**”) chaired the Meeting.

**2. QUORUM**

The Company Secretary confirmed that a quorum was present pursuant to Clause 96 of the Company’s Constitution, and Tan Sri Chairman declared the Meeting duly convened.

Tan Sri Chairman informed all present that Bursa Malaysia Securities Berhad had made poll voting mandatory for any resolution to be passed at general meetings. With that, Tan Sri Chairman demanded for a poll to be conducted accordingly.

**3. RECEIPT OF THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2019 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND THE AUDITORS THEREON (“AFS”)**

Tan Sri Chairman then invited questions from all in respect of the AFS 2019.

**Q&A Session**

**1. Question from Encik Abdul Jabbar Bin Ismail (“Encik Abdul Jabbar”) (shareholder)**

- How much is the actual amount of savings from the conversion of the Company’s loan into perpetual Islamic medium term notes (“**Sukuk**”)?

Dato’ Daud replied as follows:-

- The expected cost saving to be achieved from the debt restructuring is in the range of between 50 basis points to 150 basis points as mentioned in the corresponding reply to MSWG presented earlier.
- The main purpose of the Company to raise Sukuk financing include:-
  - Sukuk provides the matching concept of long term cash inflow and cash outflow which fulfills all the requirements needed for the Company’s nature of business where the Company’s operations consist of numerous long term concessions and projects;
  - Sukuk has fixed profit payments which allows the Company to determine it at a lower profit rate and enjoy the profit payment savings in the event of an increase in profit rate in the future, i.e. within the 21 years’ period of the Power Purchase Agreement (“**PPA**”) with Tenaga Nasional Berhad (“**TNB**”); and
  - Debt restructuring by utilising Sukuk also relieves the Company’s cash flow requirements where the Company would be able to utilise its cash optimally by financing other new projects and other needs of the Company.

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**2. Questions from Mr. Lau Seng Kieh (“Mr. Lau”) (shareholder)**

- In the Company’s 2019 Annual Report, the Company had a significant increase of contract assets from RM294.0 million in 2018 to RM539.0 million as at the financial year ended 31 October 2019. Given that contract assets are classified as current assets, why it has not been realised into receivables/cash and yet it increased?
- When would the cash flow of the Company turn into positive cash flow?

Dato’ Daud replied as follows:-

- A few of the Company’s engineering, procurement, construction and commissioning (“**EPCC**”) projects are on turnkey basis, which includes the facilitation of the financing of the projects by the Company via turnkey financing. The Company is financing the projects itself and obtaining repayment from the clients through the proceeds received by the clients from the sale of electricity to TNB at the same time. The repayments from the clients are certain as the cash inflow and revenue of the clients from the sale of electricity are certain due to the PPA signed with TNB whereby TNB is obligated to purchase the energy from the clients at a fixed price.
- The Company’s trade receivables are designed to match with the cash inflows and revenue of the clients from the sale of electricity and thus, the concern will not be on the collectability or the recoverability of the trade receivables.
- In the current scenario, it is expected to have more cash outflow than cash inflow due to the Company’s capital investment in the projects and the cash inflow can only be noticed clearly upon the commencement of the commercial operation date (“**COD**”) of the projects. The Company is expecting a significant amount of revenue and cash inflow to be generated in year 2021 from the completion of LSS 1 project, LSS 2 project and the Solid Waste Modular Advanced Recovery and Treatment waste-to-energy (“**SMART WTE**”) plant.
- Notwithstanding that, the Company is also expecting a significant cash outflow in year 2021 and 2022 due to capital investment of LSS 4 project and LSS 5 project.
- The Company is committed to create a matching concept between its short term and long term obligations and the cash inflows of the projects, to ensure that the Company’s cash flow does not pose a great risk to the Company.
- During the outbreak of the COVID-19, the Company’s business model has proved its effectiveness. Part of the Company’s operation which involved in the sale of electricity to TNB was not adversely affected as it was deemed as an essential service. The COVID-19 outbreak has merely affected the completion of its ongoing projects.

**3. Further questions from Mr. Lau (shareholder)**

- The share price and valuation of the Company has dropped significantly over a year. On the other hand, another solar market player, Solarvest Holdings Berhad, has been able to command a premium valuation as compared to the Company. What is the Company’s plan to realise its value?

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Dato' Daud replied as follows:-

- The Directors and the employees of the Company focus their responsibility to create and enhance the value of the Company with sustainable growth in its business.
- The Company's capability in securing projects has proven to be the market leader for renewable energy business in Malaysia and it will endeavor to retain its leadership position.
- The Company has also maintained its profitability and its earnings per share.
- The net tangible assets of the Company have also been increasing every year and the current net tangible assets per share was around RM1.70.
- In view thereof, it is evident that the Directors and the employees of the Company have been successful in building a strong foundation for the Company.
- However, the market sentiments (share price) may not reflect the achievements of the Company.

**4. Further questions from Mr. Lau (*shareholder*)**

- What is the latest COD for the LSS 2 project?
- What is the expected profit contribution from the completion of the LSS 2 project?

Dato' Daud replied as follows:-

- The COD for the LSS 2 project had been delayed due to the non-activity at the project site during the Movement Control Order ("**MCO**") and Conditional MCO ("**CMCO**") implemented by the Malaysian Government from 18 March 2020 to 9 June 2020.
- Fortunately, the contract between the Company and the Malaysian Government has a provision on force majeure which will enable the Company to have additional time to complete the project with no penalty being imposed for the delay.
- In terms of the impact on the profit contribution of the LSS 2 project, the EPCC contracts have contributed to the earnings of LSS 2 project. The Company believes that it is able to recover the time lost from the MCO and CMCO by assigning more resources to the project such that it will not have any significant impact on the Company's financial position for the financial years ending 31 October 2020 and 31 October 2021.

**5. Further questions from Encik Abdul Jabbar (*shareholder*)**

- If the Company continues to win more LSS projects, will the Company be able to cope with the constructions of multiple billions Ringgit Malaysia projects at the same time?
- Why not raise RM2.0 billion or more in Sukuk in anticipation of future LSS projects?

Dato' Daud replied as follows:-

- The LSS projects are designed to be a yearly basis project with different CODs which indicated that these projects will not be implemented simultaneously in the same year.

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- In view thereof, the Company will be able to leverage on the continuing winning capability of the LSS projects with the Company's competent workforce who will continue to be more efficient as time passes by benefitting from the learning curve.
- The principal adviser of the Company had advised against raising Sukuk in one single programme when the projects are not known and unsecured.
- The Company has also decided that it is better to obtain financing for the projects through bank financing and switch to Sukuk once the project has been completed to mitigate the construction risk. Hence, the Company will be able to enjoy a better financing rate.

**6. Question from Mr. Lee Kiat Chew (shareholder)**

- How much MWa.c in total will the Company bid for the LSS4 project?

Dato' Daud replied as follows:-

- The Company will make due announcement on the total MWa.c. granted to Cypark upon receipt of the Letter of Acceptance of Offer from the Energy Commission.

After having addressed all questions raised accordingly, the AFS were duly received.

**4. VOTING RESULTS**

All the following resolutions were tabled at the Meeting. Tan Sri Chairman invited questions from all in relation to each resolution. There being no question raised, the following resolutions voted upon by poll and were duly passed with the detailed results of the poll as announced accordingly to Bursa Malaysia Securities Berhad on 18 June 2020:-

<b>Resolution</b>	
1	To approve the payment of Directors' fees for the financial year ending 31 October 2020 and thereafter.
2	To re-elect Dato' Daud Bin Ahmad, who is due to retire in accordance with Clause 119 of the Company's Constitution and being eligible, has offered himself for re-election.
3	To re-elect Encik Headir Bin Mahfidz, who is due to retire in accordance with Clause 119 of the Company's Constitution and being eligible, has offered himself for re-election.
4	To re-appoint Messrs. Mazars PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.
5	<b>Ordinary Resolution No. 1:</b> To retain Dato' Dr. Freezailah Bin Che Yeom as an Independent Director of the Company.

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<b>Resolution</b>	
6	<b><u>Ordinary Resolution No. 2:</u></b> To retain Encik Headir bin Mahfidz as an Independent Director of the Company.
7	<b><u>Ordinary Resolution No. 3:</u></b> Proposed Renewal of Existing Shareholder Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.
8	<b><u>Ordinary Resolution No. 4:</u></b> Proposed Renewal of Authority for Share Buy-Back.
9	<b><u>Ordinary Resolution No. 5:</u></b> Authority to Issue Shares pursuant to the Companies Act 2016.
10	<b><u>Ordinary Resolution No. 6:</u></b> Proposed Renewal of the Authority to allot and issue new ordinary shares in Cypark Resources Berhad (" <b>CRB</b> " or " <b>the Company</b> "), for the purpose of the Dividend Reinvestment Scheme of the Company which will provide the shareholders of CRB with the option to elect to reinvest their cash dividend in CRB shares.

**5. CONCLUSION**

There being no other business to be transacted, Tan Sri Chairman concluded the Meeting at 11:40 a.m. and thanked all present for their attendance.