

CYPARK RESOURCES BERHAD
(Company No: 642994-H)

Unaudited Condensed Consolidated Income Statement
For the Third Quarter ended 31 July 2010

	<u>Individual Quarter</u>		<u>Cumulative Period</u>	
	<u>Current Year</u> <u>Quarter</u> <u>31 July 2010</u> RM	<u>Preceding Year</u> <u>Quarter(2)</u> <u>31 July 2009</u> RM	<u>Current Year</u> <u>To Date</u> <u>31 July 2010</u> RM	<u>Preceding Year</u> <u>To Date(2)</u> <u>31 July 2009</u> RM
Revenue	44,437,109	N/A	140,599,087	N/A
Cost Of Sales	(32,810,363)	N/A	(104,354,123)	N/A
Gross Profit	11,626,746	N/A	36,244,964	N/A
Other Income	367,834	N/A	670,154	N/A
Administrative expenses	(3,773,860)	N/A	(9,750,350)	N/A
Operating profit	8,220,720	N/A	27,164,768	N/A
Finance Costs	(1,376,253)	N/A	(6,050,079)	N/A
Profit before tax	6,844,467	N/A	21,114,689	N/A
Income tax expense	(1,937,396)	N/A	(6,072,274)	N/A
Profit for the period attributable to equity holders of the Company	4,907,071	N/A	15,042,415	N/A
Earnings per share attributable to equity holders of the Company				
- Basic (3)	0.06	N/A	0.19	N/A
- Dilluted	0.06	N/A	0.19	N/A

Note

- (1) The Unaudited Condensed Consolidated Income Statement should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants' Report for the financial period ended 31 March 2010 as disclosed in the Prospectus of the Company dated 28 September 2010 and the accompanying notes attached to this interim financial statements.
- (2) This is the first interim financial report on the consolidated results of the Company and its subsidiaries announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. As such, there are no comparative figures for the preceding year's corresponding quarter and period.
- (3) Based on the issued share capital of 80,000,004 shares.

CYPARK RESOURCES BERHAD
(Company No: 642994-H)

Unaudited Condensed Consolidated Balance Sheets
As at 31 July 2010

	(Unaudited) As At 31 July 2010 RM	(Unaudited) As At 31 July 2009 RM
Assets		
Non-current assets		
Plant and equipment	1,270,524	N/A
Intangible assets	127,316	N/A
Investment in corporate membership	170,000	N/A
	<u>1,567,840</u>	<u>N/A</u>
Current assets		
Trade receivables	175,435,274	N/A
Sundry debtors' deposits & Prepayments	12,318,266	N/A
Tax recoverable	-	N/A
Cash and cash equivalents	55,634,278	N/A
	<u>243,387,818</u>	<u>N/A</u>
Total assets	<u>244,955,658</u>	<u>N/A</u>
Equity and Liabilities		
Equity attributable to equity holders of the company		
Share capital	40,000,002	N/A
Foreign exchange reserve	(269,573)	N/A
Foreign statutory reserve	87,320	N/A
Reverse acquisition reserve	(36,700,000)	N/A
Retained profits	48,653,071	N/A
Total equity	<u>51,770,820</u>	<u>N/A</u>
Non-current liabilities		
Borrowings	1,019,784	N/A
Deffered Taxation	(50,454)	N/A
	<u>969,330</u>	<u>N/A</u>
Current liabilities		
Trade payables	25,021,417	N/A
Other payables	37,699,864	N/A
Borrowings	117,936,180	N/A
Tax Payables	11,558,047	N/A
	<u>192,215,508</u>	<u>N/A</u>
Total Liabilities	<u>193,184,838</u>	<u>N/A</u>
TOTAL EQUITY AND LIABILITIES	<u>244,955,658</u>	<u>N/A</u>
Net Assets Per Share attributable to ordinary equity holders of the Company (RM)	0.65	N/A

Notes

- (1) The Unaudited Condensed Consolidated Balance Sheets should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants' Report for the financial period ended 31 March 2010 as disclosed in the Prospectus of the Company dated 28 September 2010 and the accompanying notes attached to this interim financial statements.
- (2) This is the first interim financial report on the consolidated financial position of the Company and its subsidiaries announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. As such, there are no comparative figures for the preceding year's corresponding period.
- (3) Based on the issued share capital of 80,000,004 shares.

CYPARK RESOURCES BERHAD
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Unaudited Condensed Consolidated Statements of Changes in Equity
As at 31 July 2010

	←←←← Attributable to equity holders of the Company →→→→					Total RM
	←←← Non Distributable →→→			Distributable		
Group	Share capital RM	Foreign exchange reserve RM	Foreign statutory reserve RM	Reverse acquisition deficit RM	Retained profits RM	
As at 1 May 2010	40,000,002	(269,953)	87,700	(36,700,000)	43,746,000	46,863,749
Profit for the period	-	-	-	-	4,907,071	4,907,071
Foreign currency translation	-	380	(380)	-	-	-
As at 31 July 2010	<u>40,000,002</u>	<u>(269,573)</u>	<u>87,320</u>	<u>(36,700,000)</u>	<u>48,653,071</u>	<u>51,770,820</u>

Notes

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

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Unaudited Condensed Consolidated Cash Flow Statements
For the Third Quarter ended 31 July 2010

	9 months ended	
	31 July 2010	31 July 2009
	RM	RM
Cash flows from operating activities		
Profit before taxation	20,314,688	N/A
Adjustment for:		
Depreciation of plant and equipment	283,847	N/A
Impairment of subordinated bond	2,520,000	N/A
Unrealised foreign exchange (gain)/loss	132,604	N/A
Interest expense	5,651,626	N/A
Interest income	(541,820)	N/A
Operating profit before working capital changes	<u>28,649,221</u>	<u>N/A</u>
Changes in working capital:		
Receivables	(22,467,406)	N/A
Payables	186,897	N/A
Subsidiaries	-	-
Cash used in operation	<u>6,368,712</u>	<u>N/A</u>
Interest income received	541,820	N/A
Interest paid	(5,651,625)	N/A
Taxes paid	<u>(4,485,207)</u>	<u>N/A</u>
Net cash generated (used in)/ from operating activities	<u>(3,226,300)</u>	<u>N/A</u>
Cash flows from Investing activities		
Acquisition of plant and equipment (Note a)	(1,468,315)	<u>N/A</u>
Cash flow from financing activities		
Repayment of hire purchase obligations	<u>(204,467)</u>	<u>N/A</u>
Net (decrease)/ increase in cash and cash equivalents	(4,822,335)	N/A
Cash and cash equivalents at beginning of financial period	<u>(17,080,340)</u>	<u>N/A</u>
Cash and cash equivalents at end of financial period	<u>(21,991,318)</u>	<u>N/A</u>
Cash and cash equivalents at the end of the financial period comprise the following:		
Deposit with licensed bank	49,765,438	N/A
Cash and bank balances	5,868,840	N/A
Bank overdrafts	<u>(77,625,596)</u>	<u>N/A</u>
	<u>(21,991,318)</u>	<u>N/A</u>
Note a:		
Plant and equipment were acquired by the way of:		
Cash payments	137,947	N/A
Loan and hire purchase	1,330,368	N/A
	<u>1,468,315</u>	<u>N/A</u>

Notes

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

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NOTES TO THE INTERIM FINANCIAL REPORT

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

A1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with FRS 134: Interim Financial Reporting and Appendix 9B Part A of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). This is the first interim financial report on the consolidated results for the third quarter ended 31 July 2010 announced by the Company in compliance with the Listing Requirements and as such, there are no comparative figures for the preceding year's corresponding period.

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

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

A2. Change in accounting policies

The significant accounting policies adopted by the Group are consistent with those of the audited financial statements for the financial period/ year ended 31 October 2009 of the Group, except for the adoption of the following :

On 1 November 2009, the Group adopted the following new and amended Financial Reporting Standards ("FRS") mandatory for financial periods beginning on or after 1 July 2009.

FRS 8 Operating Segments

Adoption of the above standard did not have any effect on the financial performance or position of the Group.

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 2010. They have yet to be adopted as they are not yet effective for the current quarter ended 31 July 2010 and current financial year ending 31 October 2010:

	<u>Effective for annual periods beginning on or after</u>
FRS 7 Financial Instruments: Disclosures	1 January 2010
FRS 101 Presentation of Financial Statements (Revised)	1 January 2010
FRS 123 Borrowing Costs	1 January 2010
FRS 139 Financial Instruments: Recognition and Measurement	1 January 2010
Amendments to FRS 1 First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
Amendments to FRS 2 Share-based Payment - Vesting Conditions and Cancellations	1 January 2010
Amendments to FRS 132 Financial Instruments: Presentation	1 January 2010
Amendments to FRS 139 Financial Instruments: Recognition and Measurement, FRS 7 Financial Instruments: Disclosures and IC Interpretation 9 Reassessment of Embedded Derivatives	1 January 2010
Improvements to FRS issued in 2009 [2.2.4]-[2.2.5]	1 January 2010
IC Interpretation 9 Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10 Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11 FRS 2 - Group and Treasury Share Transactions	1 January 2010
IC Interpretation 13 Customer Loyalty Programmes	1 January 2010
IC Interpretation 14 FRS119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010
FRS 1 First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3 Business Combinations (revised)	1 July 2010
Amendments to FRS 2 Share-based Payment	1 July 2010
Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
Amendments to FRS 127 Consolidated and Separate Financial Statements	1 July 2010
Amendments to FRS 138 Intangible Assets	1 July 2010
Amendments to IC Interpretation 9 Reassessment of Embedded Derivatives	1 July 2010
IC Interpretation 12 Service Concession Arrangements	1 July 2010
IC Interpretation 15 Agreements for the Construction of Real Estate	1 July 2010
IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17 Distributions of Non-cash Assets to Owners	1 July 2010
Amendments to FRS 132: Classification of Rights Issues	1 March 2010
Amendments to FRS 1: Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters	1 January 2011
Amendments to FRS 7: Improving Disclosures about Financial Instruments	1 January 2011

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A2. Change in accounting policies (cont'd)

Standards and Interpretations issued and not yet effective (cont'd)

Except for the changes in accounting policies arising from the adoption of the revised FRS 3 and the amendments to FRS 127, as well as the new disclosures required under the Amendments to FRS 7, the directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of the revised FRS 3 and the amendments to FRS 127 are described below.

Revised FRS 3 Business Combination and Amendments to FRS 127 Consolidated and Separate Financial Statements

The revised standards are effective for annual periods beginning on or after 1 July 2010. The revised FRS 3 introduces a number of changes in the accounting for business combinations occurring after 1 July 2010. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. The Amendments to FRS 127 require that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will they give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Other consequential amendments have been made to FRS 107 *Statement of Cash Flows*, FRS 112 *Income Taxes*, FRS 121 *The Effects of Changes in Foreign Exchange Rates*, FRS 128 *Investments in Associates* and FRS 131 *Interests in Joint Ventures*. The changes from revised FRS 3 and Amendments to FRS 127 will affect future acquisitions or loss of control and transactions with minority interests. The standards may be early adopted. However, the Group does not intend to early adopt.

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/ period ended 31 October 2009 and 31 March 2010.

A4. Seasonal or Cyclical Factors

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

A5. Items of Unusual Nature

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

A6. Changes in estimates

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

A7. Changes in Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale, and repayment of debt and equity securities during the current financial quarter other than as disclosed in Note B8.

A8. Dividend paid

There was no dividend paid in the current financial period.

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

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

	Environmental RM	Landscaping RM	Maintenance RM	Elimination RM	Total RM
FPE 31.7.2010 (Unaudited)					
Revenue					
Sale to external customers	132,166,033	7,659,054	1,012,000	-	140,837,087
Inter-segment sales	82,161,548	-	-	(82,161,548)	-
Total revenue	214,327,581	7,659,054	1,012,000	(82,161,548)	140,837,087
Results					
Segment results					27,164,768
Finance cost					(6,050,079)
Profit before taxation					21,114,689
Taxation					(6,072,274)
Profit for the period attributable to equity holders of the company					<u>15,042,415</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

There were no capital commitment for property, plant and equipment as at 31 July 2010.

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A12. Material events subsequent to the end of period reported

Save as disclosed below, there were no material events subsequent to the end of the current financial quarter that have not been reflected in this quarterly report as at the date of this report. The Group is expected to be listed on the Main Market of Bursa Securities on 15th October 2010.

- i. By a Settlement Agreement dated 23 August 2010 entered into between the Company, Cypark Sdn Bhd ("CSB") and the Promoters i.e Tan Sri Razali bin Ismail, Daud bin Ahmad and Siow Kwang Khee ("Settlement Agreement") and a Deed of Assignment dated 23 August 2010 entered into between the Promoters and CSB ("Deed of Assignment"), the parties to the Settlement Agreement and the Deed of Assignment have agreed to an assignment by CSB of all its present and future rights, title and interest in and to a total sum of RM 7,210,994.76 only, which is due and owing from respective debtors of CSB as at the dates of the agreements to the Promoters, as full and final settlement of a portion of the advances (by the equivalent amount) made by the Promoters to our Company.

Messrs Ernst & Young has performed agreed upon procedures solely for the purpose of ensuring whether the balances of the debtors making up the RM 7,210,994.76 have been settled. Based on their findings, the said amount has been settled.

Messrs Lee Choon Wan & Co via its legal opinion dated 14 September 2010 opined that the Settlement Agreement and the Deed of Assignment is legal, valid and enforceable in accordance with its terms.

- ii. In conjunction with, and as an integral part of the listing and quotation for the entire issued and paid-up share capital of our Company on the Main Market of Bursa Securities scheduled to be on 15 October 2010, our Company proposes to implement the listing scheme set out as follow:-

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

The aforesaid proposals are inter-conditional and should be viewed as one exercise undertaken to facilitate the Listing of the Company.

a. Bonus Issue

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

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

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

b. Shares Transfer

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

After the Bonus Issue and Shares Transfer, the shareholding structure of our Company are as follows:

Name	After Bonus Issue and Shares Transfer	%
Tan Sri Razali bin Ismail	61,962,000	53.9
Daud bin Ahmad	16,813,000	14.6
Siow Kwang Khee	23,290,000	20.3
Tan Swee Loon	12,935,000	11.2
	<u>115,000,000</u>	<u>100</u>

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A13. Changes in composition of the group

There were no changes in the composition of the group during the current quarter.

A14. Contingent liabilities and contingent assets

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

	31 July 2010 RM
Secured:	
- Performance bond guarantees favouring Government / Statutory bodies and companies acceptable to the banks for various projects	17,277,005
- Tender bond given to third parties which is partially secured by Cypark's fixed deposit	80,000
- Corporate guarantees given to banks for credit facilities granted to subsidiaries	500,000
- Letter of credits given to suppliers for purchase of materials	448,256
Unsecured:	
- Bank guarantees extended to third parties in respect various projects of the Group	400,000
- Litigations claims	3,087,614
	<u>21,792,875</u>

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

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

A15. Significant Related Party Transactions

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

Related Party	Interested Promoter / Director / Substantial Shareholder / Key Management	Nature of Transactions	Transaction Value based on billings RM	Balance Outstanding at 31 July 2010 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	4,408,638	641,988
		Interest received on advances		
		Operating and maintenance fees		

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

B1. Review Of Performance Of The Group

The Group has achieved a total revenue of RM 44.4 million during the current quarter, which has decreased by about 7% or RM 3.6 million as compared to the previous quarter. The decrease in revenue is mainly due to a decrease in landscaping works during the third quarter as the site services project is near completion and the delay in the construction of a service road for one of the landfill sites pending licence approval from authority.

The Group's gross profit margin remained stable at 26% for the current quarter. This represents a slight increase of 1% as compared to the Gross Margin of 25% recorded for second quarter. The gross margin has improved due to lower monthly site expenses incurred.

The Profit before taxation has improved significantly by RM 1.4 mil to RM 8.5 million in current quarter as a result of significant decrease in finance cost due to improvement in collection and decrease in administrative cost. This increase in profit is however offset by an one-off provision of RM 1.7 million made by the directors on prudent basis for the anticipated diminution in the value of investment in subordinated bonds. The profit margin before taxation after the above provision is 15% which is same as the previous quarter.

The Profit after tax of the Group for current quarter is 11%, same as second quarter.

B2. Material Changes In The Quarterly Results Compared To The Results Of The Preceding Quarter

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

B3. Current Year Prospects

There are strong indications that economic conditions in Malaysia are improving from the negative effects of the global financial crisis that began in mid-2007. The near term outlook, particularly for 2010, is likely to be more positive than 2009. In 2009, Malaysia's real GDP contracted by 1.7%. However, the real GDP growth forecast for 2010 is 4.5% to 5.5% (Source: Bank Negara Malaysia). The Malaysian economy registered strong real GDP growth of 10.1% in the first quarter of 2010, led by continued expansion in domestic demand and stronger external demand (Source: Bank Negara Malaysia).

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

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

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

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B4. Profit Forecast And Profit Estimate

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

B5. Income Tax Expense

	RM
Malaysia tax	
- Current year	1,937,396
Deffered tax	-
	<u>1,937,396</u>

B6. Profit on Sale of Unquoted Investments and / or Properties

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

B7. Purchase or Disposal of Quoted Securities

There was no Purchase or Disposal of Quoted Securities during the current financial quarter.

B8. Status of Corporate Proposals

i. Initial Public Offer ("IPO")

(a) Public issue

The Company is undertaking a Public issue of 30 million ordinary shares of RM0.50 each at an issue price of RM1.10 per share.

(b) Offer for sale

28,000,000 ordinary shares of RM0.50 each representing 19.30% of the enlarged issued and paid up share capital of Cypark Resources Berhad upon listing will be offered at RM1.10 per share.

The Company issued its propectus for its IPO on 28 September 2010.

ii. Listing

Subsequent to the Public issue and offer for sale, the Company proposes to seek the listing of and quotation for its entire enlarged issued and paid-up share capital, comprising 145 million ordinary shares of RM0.50 each on the Main Market of Bursa Securities.

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B8. Status of Corporate Proposals (cont'd)

iii. Utilisation of Proceeds

The Public Issue will raise gross proceeds of RM33.0 million which shall accrue to us. We intend to use the proceeds in the following manner:-

	Timeframe for utilisation*	Amount (RM'000)
(i) Repayment of overdraft (contract) facility obtained for the purpose of the National Landfill Restoration project.	Within 12 months	10,000
(ii) Working capital*		
- Expansion of business	Within 18 months	2,000
- Existing and future operations	Within 12 months	18,618
(iii) Estimated listing expenses*	Within 2 months	2,382
Total proceeds		33,000

Note:-

* *The total estimated listing expenses is RM 4.0 million, out of which RM 2.4 million shall be borne by our Company and RM 1.6 million will be borne by the Offerors. If the actual listing expenses are higher than budgeted, the deficit will be funded out of the portion allocated for working capital. Conversely, if the actual listing expenses are lower than budgeted, the excess will be utilised for working capital purposes.*

The Offer For Sale is expected to raise gross proceeds of approximately RM 30.8 million. This amount shall accrue entirely to the Offerors and no part of the proceeds will be received by our Company. The Offerors shall bear all expenses such as placement and miscellaneous fees estimated to be approximately RM 1.6 million.

B9. Group's Borrowing and Debts Securities

The Group's borrowing and debts securities as at 31 July 2010 are as follows:-

	RM
Short term borrowings	
Secured:	
Bank overdrafts	39,222,883
Bank overdrafts against progress claims	20,210,732
Trust receipts	18,191,981
Hire purchase	310,584
	<u>77,625,596</u>
Unsecured:	
Term loan	<u>40,000,000</u>
Long term borrowings	
Secured:	
Hire purchase	<u>1,019,784</u>
Total borrowings	
Secured:	
Bank overdrafts	39,222,883
Bank overdrafts against progress claims	20,210,732
Trust receipts	18,191,981
Hire purchase	1,330,368
	<u>78,955,964</u>
Unsecured:	
Term loan	<u>40,000,000</u>
	<u>118,955,964</u>

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B10. Off Balance Sheet Financial Instruments

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

B11. Material Litigation

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

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

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

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

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

The matter has been fixed for trial on 22 November 2010 and 23 November 2010. On 30 June 2010, the registrar had given directions for parties to file in witnesses' statements and any additional bundle of documents (if any) by 15 July 2010. On 15 July 2010, the solicitors of CSB had filed into court all the witnesses' statements and additional bundle of documents. The matter came up for case management on the 28 September 2010, whereby both parties have consented to the matter be referred to arbitration. The court has fixed the matter for further case management on 26th October 2010 to enable the parties to inform the court on the appointment of arbitrator.

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 came up for case management on the 28 September 2010, whereby both parties were requested by the court to file their bundle of documents. The matter is now fixed for further case management on 27 October 2010.

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B12. Dividends

No interim dividend has been declared during the current quarter under review.

B13. Earnings Per Share

Basic and diluted earnings per share are calculated based on the issued share capital of 80,000,004 ordinary shares of RM 0.50 each in issue.

B14. Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors on 12 October 2010.