

**Unaudited Condensed Consolidated Statements of Comprehensive Income****For the First Quarter ended 31 January 2020**

	<b>Individual Quarter</b>			<b>Cumulative Period</b>		
	<b>Current Year</b>	<b>Preceding Year</b>	<b>Changes</b>	<b>Current Year</b>	<b>Preceding Year</b>	<b>Changes</b>
	<b>Quarter</b>	<b>Quarter</b>		<b>To Date</b>	<b>To Date</b>	
	<b>31 Jan 2020</b>	<b>31 Jan 2019</b>	<b>%</b>	<b>31 Jan 2020</b>	<b>31 Jan 2019</b>	<b>%</b>
<b>RM</b>	<b>RM</b>	<b>%</b>	<b>RM</b>	<b>RM</b>	<b>%</b>	
<b>Revenue</b>	90,876,030	88,439,033	2.8%	90,876,030	88,439,033	2.8%
Cost of sales	(64,890,346)	(67,088,119)	-3.3%	(64,890,346)	(67,088,119)	-3.3%
<b>Gross profit</b>	25,985,684	21,350,914	21.7%	25,985,684	21,350,914	21.7%
Other income	2,027,187	1,031,129	96.6%	2,027,187	1,031,129	96.6%
Administrative expenses	(5,265,887)	(3,087,794)	70.5%	(5,265,887)	(3,087,794)	70.5%
<b>Operating profit</b>	22,746,984	19,294,249	17.9%	22,746,984	19,294,249	17.9%
Finance costs	(3,351,064)	(2,500,554)	34.0%	(3,351,064)	(2,500,554)	34.0%
Share of results of an associate	(76,781)	(70,973)		(76,781)	(70,973)	
<b>Profit before tax</b>	19,319,139	16,722,722	15.5%	19,319,139	16,722,722	15.5%
Tax expense	(4,770,946)	(3,715,132)	28.4%	(4,770,946)	(3,715,132)	28.4%
<b>Profit for the year</b>	14,548,193	13,007,590	11.8%	14,548,193	13,007,590	11.8%
<b>Other comprehensive income net of tax</b>	-	-		-	-	
<b>Total comprehensive income for the year</b>	14,548,193	13,007,590	11.8%	14,548,193	13,007,590	11.8%
<b>Total comprehensive income attributable to:-</b>						
- Owners of the Company	14,548,661	13,008,036	11.8%	14,548,661	13,008,036	11.8%
- Non-controlling interest	(468)	(446)		(468)	(446)	
	14,548,193	13,007,590		14,548,193	13,007,590	
<b>Earnings per share for profit attributable to the owners of the Company (sen per share)</b>						
- Basic	3.11	3.50		3.11	3.50	
- Diluted	3.08	3.47		3.08	3.47	

**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 2019 and the accompanying notes attached to the unaudited interim financial statements.

**Unaudited Condensed Consolidated Statements of Financial Position  
As at 31 January 2020**

	<b>Unaudited As At 31 Jan 2020 RM</b>	<b>Audited As At 31 Oct 2019 RM</b>
<b>Assets</b>		
<b>Non-current assets</b>		
Plant and equipment	201,783,781	203,964,822
Right-of-use assets	6,168,545	-
Intangible assets	871,480,704	864,663,380
Investment in associated company	3,034,806	3,111,587
Deferred tax assets	504,221	501,665
Long term trade receivables	3,112,301	3,174,832
	<u>1,086,084,358</u>	<u>1,075,416,286</u>
<b>Current assets</b>		
Contract assets	608,974,639	539,163,821
Trade and other receivables	43,353,075	35,140,870
Other current assets	3,058,995	1,962,578
Tax recoverable	32,557	101,557
Cash and bank balances	413,885,574	523,648,726
	<u>1,069,304,840</u>	<u>1,100,017,552</u>
<b>Total assets</b>	<u>2,155,389,198</u>	<u>2,175,433,838</u>
<b>Equity and liabilities</b>		
<b>Current liabilities</b>		
Loans and borrowings	173,988,144	184,871,238
Trade and other payables	173,163,511	196,882,444
Lease liabilities	270,804	
Tax payable	9,330,994	8,321,962
	<u>356,753,453</u>	<u>390,075,644</u>
<b>Net current assets</b>	<u>712,551,387</u>	<u>709,941,908</u>
<b>Non-current liabilities</b>		
Loans and borrowings	979,080,530	988,541,033
Trade and other payables	28,187,835	28,182,884
Lease liabilities	5,938,800	
Deferred tax liabilities	11,810,000	11,455,000
	<u>1,025,017,165</u>	<u>1,028,178,917</u>
<b>Total liabilities</b>	<u>1,381,770,618</u>	<u>1,418,254,561</u>
<b>Net assets</b>	<u>773,618,580</u>	<u>757,179,277</u>
<b>Equity</b>		
Share capital	400,839,174	400,839,174
Reverse acquisition reserve	(36,700,000)	(36,700,000)
Share option reserve	3,872,329	1,981,219
Retained earnings	405,611,295	391,062,634
<b>Equity attributable to owners of the Company</b>	<u>773,622,798</u>	<u>757,183,027</u>
<b>Non-controlling interests</b>	<u>(4,218)</u>	<u>(3,750)</u>
<b>Total Equity</b>	<u>773,618,580</u>	<u>757,179,277</u>
<b>Total equity and liabilities</b>	<u>2,155,389,198</u>	<u>2,175,433,838</u>
Net assets per share attributable to owners of the Company (RM)	1.66	1.62

**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 2019 and the accompanying notes attached to the unaudited interim financial statements.

**CYPARK RESOURCES BERHAD (642994-H)**  
**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JANUARY 2020**

**Statements of Changes in Equity**  
**For the First Quarter ended 31 January 2020**

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

	<b>Share capital RM</b>	<b>Share option reserve RM</b>	<b>Reverse acquisition reserve RM</b>	<b>Retained earnings RM</b>	<b>Total RM</b>	<b>Non-controlling interests RM</b>	<b>Equity Total RM</b>
<b>2019</b>							
<b>Group</b>							
<b>Opening balance at 1 November 2019</b>	400,839,174	1,981,219	(36,700,000)	391,062,634	757,183,027	(3,750)	757,179,277
<b>Total comprehensive income</b>	-	-	-	14,548,661	14,548,661	(468)	14,548,193
<b>Transactions with owners</b>							
Issuance of ESOS		1,891,110	-	-	1,891,110	-	1,891,110
Total transactions with owners	-	1,891,110	-	-	1,891,110	-	1,891,110
<b>Closing balance at 31 Jan 2020</b>	400,839,174	3,872,329	(36,700,000)	405,611,295	773,622,798	(4,218)	773,618,580
<b>Opening balance at 1 November 2018</b>	374,587,310	3,269,170	(36,700,000)	306,302,250	647,458,730	(2,293)	647,456,437
<b>Total comprehensive income</b>	-	-	-	13,008,036	13,008,036	(446)	13,007,590
<b>Transactions with owners</b>							
Share issuance expenses	(141,855)	-	-	-	(141,855)	-	(141,855)
Exercise of employee share options	12,961,786	(1,246,666)	-	-	11,715,120	-	11,715,120
Total transactions with owners	12,819,931	(1,246,666)	-	-	11,573,265	-	11,573,265
<b>Closing balance at 31 Jan 2019</b>	387,407,241	2,022,504	(36,700,000)	319,310,286	672,040,031	(2,739)	672,037,292

*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 2019 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 2020**

	<b>3 months ended</b>	
	<b>31 Jan 2020</b>	<b>31 Jan 2019</b>
	<b>RM</b>	<b>RM</b>
<b>Cash flows from operating activities</b>		
Profit before tax	19,319,139	16,722,722
Adjustments for:		
Depreciation of plant and equipment	2,170,675	3,400,338
Share of results in associated company	76,781	70,973
Unrealised foreign exchange gain	(9,899)	(9,248)
Issuance of ESOS	1,891,110	-
Amortisation of right-of-use assets	106,145	-
Amortisation of intangible assets	911,931	911,931
Profit from construction projects	-	(1,745,684)
Finance income - other liabilities at amortised costs	(215,141)	(368,902)
Interest expense	10,978,188	2,500,554
Interest income	(1,380,719)	(583,981)
Operating cash flows before changes in working capital	<u>33,848,210</u>	<u>20,898,703</u>
Changes in working capital:		
Trade and other receivables	(8,188,418)	(55,267,073)
Other current assets	(1,096,417)	(1,020,165)
Trade and other payables	<u>(23,750,492)</u>	<u>21,188,277</u>
Cash flows used in operations	<u>(68,997,934)</u>	<u>(14,200,258)</u>
Interest paid	(10,329,813)	(2,435,962)
Tax paid	<u>(3,340,470)</u>	<u>(1,879,629)</u>
Net cash flows used in operating activities	<u>(82,668,217)</u>	<u>(18,515,849)</u>
<b>Cash flows from investing activities</b>		
Additions to intangible assets	(7,729,255)	(14,179,198)
Purchase of plant and equipment	10,366	(169,587)
Interest received	1,380,719	583,981
Net cash flows used in investing activities	<u>(6,338,170)</u>	<u>(13,764,804)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of ordinary shares		
- ESOS	-	11,715,120
Share issuance expense	-	(141,855)
Payment of lease liabilities	(163,172)	-
Revolving credit, net	(10,400,000)	40,000,000
Short term borrowings, net	(107,757)	(5,229,242)
Term loans, net	(9,559,585)	8,485,863
Finance lease obligations, net	<u>(105,600)</u>	<u>(129,516)</u>
Net cash flows (used in)/generated from financing activities	<u>(20,336,114)</u>	<u>54,700,370</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(109,342,501)</b>	<b>22,419,717</b>
<b>Cash and cash equivalents at beginning of financial year</b> <sup>2</sup>	<b>523,228,075</b>	<b>88,540,902</b>
<b>Cash and cash equivalents at end of financial year</b>	<b><u>413,885,574</u></b>	<b><u>110,960,619</u></b>
<b>Cash and cash equivalents at the end of the financial year comprise the following:</b>		
Short term deposits with licensed banks	357,943,660	54,668,418
Cash at banks and in hand	55,941,914	67,127,113
Cash and bank balances	<u>413,885,574</u>	<u>121,795,531</u>
Less: Bank overdrafts	-	(10,834,912)
	<u>413,885,574</u>	<u>110,960,619</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 2019 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 RM519,836,686 to RM523,228,075 by including all the short term deposits with licensed banks and cash at banks and in hand.

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JANUARY 2020

**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 2019. 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 2019.

**A2. Changes in accounting policies**

The significant accounting policies and computation methods are consistent with those adopted for the year ended 31 October 2019, except for the adoption of the following new MFRS and Issue Committee Interpretations (“IC Interpretations”) issued by the Malaysian Accounting Standards Board (“MASB”):

<b>MFRSs, Amendments to MFRSs and IC Interpretation</b>		<b>Effective for annual period beginning on or after</b>
MFRS 16	Leases	1 January 2019
IC Interpretations 23	Uncertainty over Income Tax Treatments	1 January 2019
Amendment 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 3, 11, 112, 119 and 123	Annual Improvements to MFRSs 2015 -2017 Cycle	1 January 2019

The adoption of the above mentioned standards did not have a material impact on the financial statements of the Group other than as disclosed below:-

**MFRS 16 Leases**

MFRS 16 Leases replaces the guidance in MFRS 117 Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, IC Interpretation 115 Operating Leases – Incentives and IC Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

MFRS 16 introduces a single on-balance sheet lease accounting model for lessees. A lessee recognises a right of use asset representing its obligations to make lease payments. There are two recognition exemptions for lessees – leases of “low value” assets and short term leases. Lessor accounting remains similar to the current standard which continues to be classified as finance or operating lease.

The Group adopted MFRS 16 using modified retrospective approach and measured the right of use assets at a value that is equal to the lease liabilities at 1 November 2019 with no restatement of comparative information. The summary of the impact (increase/(decrease)) from MFRS 16 adoption on the statement of financial position as at 1 November 2019 is as follows:-

**A2. Changes in accounting policies – cont'd**

	<b>At 1 Nov 2019</b>
	<b>RM</b>
<b>Assets</b>	
Right-of-use assets	<u>6,274,690</u>
<b>Liabilities</b>	
Lease liabilities	<u>6,274,690</u>

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 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 17	Insurance Contracts	<i>1 January 2021</i>
MFRS 139	Interest Rate Benchmark Reform (Amendments to MFRS 9, MFRS 139 and MFRS 7)	<i>1 January 2020</i>
Amendments to MFRS 3	Definition of a Business	<i>1 January 2020</i>
Amendments to MFRS 9, MFRS 139 and MFRS 7	Interest Rate Benchmark Reform	<i>1 January 2020</i>
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	<i>Deferred</i>
Amendments to MFRS 101 and MFRS 108	Definition of Material	<i>1 January 2020</i>

The Group and the Company plan to adopt the above pronouncements when they become effective in the respective financial year. 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 2020.

**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, other than disclosed below:-

- (a) In the beginning of financial year 2020, the Group conducted an operational efficiency review on the solar plants in view of the extended product warranty of solar panels. The Group expected that the solar plants are now to remain in operation for 30 years from the date of purchase. As a result, the Group revised the useful lives of the solar plants to 30 years. The revision in estimate has been applied on a prospective basis from 1 November 2019. The effect of these changes on depreciation expense, recognised in cost of sales, in current and future periods are as below:

	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>Later</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Decrease/(increase) in depreciation expense	4,954,343	4,954,343	4,954,343	4,954,343	4,954,343	(24,771,714)

**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.

**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 January 2020</b>						
<b>Revenue</b>						
Sale to external customers	69,634,732	9,191,458	1,039,478	11,010,362	-	90,876,030
Inter-segment sales	109,527,476	3,340,313	935,531	-	(113,803,320)	-
<b>Total revenue</b>	<b>179,162,208</b>	<b>12,531,771</b>	<b>1,975,009</b>	<b>11,010,362</b>	<b>(113,803,320)</b>	<b>90,876,030</b>
<b>Results</b>						
<b>Profit before tax</b>	12,088,343	2,670,059	337,830	4,222,907	-	19,319,139
Income tax expense						(4,770,946)
<b>Profit net of tax</b>						<b>14,548,193</b>
<b>3 months ended 31 January 2019</b>						
<b>Revenue</b>						
Sale to external customers	65,936,965	10,004,792	1,538,366	10,958,910	-	88,439,033
Inter-segment sales	76,359,190	26,000,000	1,384,530	-	(103,743,720)	-
<b>Total revenue</b>	<b>142,296,155</b>	<b>36,004,792</b>	<b>2,922,896</b>	<b>10,958,910</b>	<b>(103,743,720)</b>	<b>88,439,033</b>
<b>Results</b>						
<b>Profit before tax</b>	10,572,346	3,091,841	494,794	2,563,741	-	16,722,722
Income tax expense						(3,715,132)
<b>Profit net of tax</b>						<b>13,007,590</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 2020:-

	RM
Capital expenditure	
Approved and contracted for:-	
- Intangible assets	<u>10,242,000</u>

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

There were no material events subsequent to the end of the current financial quarter up to 11 March 2020, 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 year under review, except as follows:-

- I. On 24 January 2020, Cypark Green Resources Sdn. Bhd. ("CGRSB") was incorporated and CRB subscribed for 100 ordinary shares fully paid up capital of CGRSB representing 100% of the equity interest at a total consideration of RM100. CGRSB will be principally engaged in the businesses of investment holding and renewable energy.
- II. On 24 January 2020, Cypark Suri Merchang Sdn. Bhd. ("CSMSB") was incorporated as a special purpose vehicle and CGRSB subscribed for 70 ordinary shares fully paid up in the capital of CSMSB representing 70% of the equity interest at a total consideration of RM70. The remaining 30% ordinary shares of CSMSB are owned by Impian Bumiria Sdn. Bhd. ("IBSB"). CSMSB was incorporated to facilitate CRB and IBSB in the development of a Large Scale Solar Photovoltaic Plant of 100MWac in Marang, Terengganu. CSMSB will be principally engaged in renewable energy business.

On 25 February 2020, CGRSB had transferred the shareholding in CSMSB amounted to 70 ordinary shares to CRB at a total consideration of RM70. Hence, CSMSB has become the direct subsidiary of CRB.

**A14. Contingent liabilities**

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

	<b>31 Jan 2020</b>
	<b>RM</b>
<b>Secured:</b>	
- Performance bond/tender bond guarantees favouring Government/ Statutory bodies for various projects	9,980,879
- Bank guarantees extended to Government Bodies/Companies for various projects	109,256,954
	<u>119,237,833</u>
<b>Unsecured:</b>	
- Corporate guarantees given to banks for credit facilities granted to subsidiaries	953,200,000
	<u>953,200,000</u>
<b>TOTAL</b>	<u>1,072,437,833</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 2020 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	920,416	920,416	1,914,329

**B1. Analysis of performance****Current Year Quarter ended 31 January 2020 vs Preceding Year Quarter ended 31 January 2019**

The revenue of the Group for 1Q2020 increased by RM2.4 million or 2.8% to RM90.9 million as compared to RM88.4 million recorded in 1Q2019. However, the profit before tax for 1Q2020 substantially increased by RM2.6 million or 15.5% to RM19.3 million from RM16.7 million as recorded in 1Q2019. The increase in profit before tax was mainly due to the effect of adoption of MFRS 15 since immediate preceding quarter. The increase in profit before tax had been partially offset by the recognition of accounting expense of RM1.9 million on the issuance of ESOS in current quarter. In line with the increase in profit before tax, the Group's profit after tax for 1Q2020 increased by RM1.5 million or 11.8% to RM14.5 million from RM13.0 million as recorded in preceding year quarter.

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

**Environmental Engineering**

The revenue for 1Q2020 increased by RM3.7 million or 5.6% to RM69.6 million as compared to RM65.9 million as recorded in 1Q2019. This was mainly due to the continuous progress of works for the projects secured in this division. The profit before tax for 1Q2020 substantially increased by RM3.4 million or 32.3% to RM14.0 million from RM10.6 million in 1Q2019. This was mainly due to the effect of adoption of MFRS 15 since immediate preceding quarter.

**Landscaping & Infrastructure**

The revenue for 1Q2020 decreased by RM0.8 million or 8.1% to RM9.2 million as compared to RM10.0 million recorded in 1Q2019. The profit before tax for 1Q2020 for this division decreased by RM0.4 million to RM2.7 million as compared to RM3.1 million recorded in 1Q2019. This was mainly due to most of the preliminary works and site preparation works had been completed in previous quarters.

**Maintenance (Operation & Maintenance)**

The revenue generated by this division for 1Q2020 decreased by RM0.5 million to RM1.0 million as compared to RM1.5 million recorded in 1Q2019. In line with the decrease in revenue, the profit before tax in current quarter also decreased by RM0.2 million to RM0.3 million from RM0.5 million recorded in 1Q2019. This was mainly due to the contract for one of the sites had been completed in 3Q2019.

**Green Tech & Renewable Energy**

The revenue for green tech & renewable energy division for current quarter remained at almost the same level of RM11.0 million as compared to 1Q2019. However, the profit before tax of this division increased by RM1.7 million or 64.7% to RM4.2 million as compared to RM2.6 million recorded in 1Q2019. This was mainly attributed to the change in the estimate of useful lives of the solar plants in current quarter and also the further 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 decreased by 8.9% or RM8.8 million to RM90.9 million as compared to RM99.7 million recorded in the immediate preceding quarter. This was mainly due to certain projects which had been completed in preceding quarter. The profit before tax of the Group significantly decreased by RM33.3 million or 63.3% to RM19.3 million as compared to RM52.6 million recorded in the immediate preceding quarter. This was mainly due to the full year effect of adoption of MFRS 15 was recorded in the immediate preceding quarter which resulted in the surge of profit before tax in the immediate preceding quarter. In addition, the recognition of the accounting expense on the issuance of ESOS in current quarter also reduced the profit before tax.

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

Malaysia has recorded a respectable GDP growth of 4.6% in 2019 for the 4th quarter 2019. To support the current challenging economy, the government has included 1400MW solar as part of the economic stimulus package which contribute to the good industry growth of RE in Malaysia in 2020-2021. We are confident that Cypark will benefit directly from this stimulus package.

Globally and locally, the demands for RE is expected to continue to grow stronger year on year, and will one day exceed the growth of fossil-based energy. According to the International Energy Agency (EIA) 2019 report, solar and wind-based energy will make up 50% of new world energy. RE is expected to contribute up to 30% of all energy generation in 2040 from the 8.5% recorded in 2017. Solar energy growth has shown a 17.5% growth as compared to 2018.

The key success factors for Cypark can be attributed to three (3) underlying factors namely more attractive government policies on RE, continued development of more affordable and efficient green technology globally, and dynamic market mechanism. For the FYE 2020, Cypark will strengthen further its capability in taking advantage of the above success factors to ensure it would continue its uninterrupted revenue and profitability growth experienced since 2012.

**Renewable Energy**

Based on the Malaysian market trend in 2019, Cypark anticipated that there would be further energy market reformation and liberalisation in Malaysia, which assures positive growth of RE and Green Technology in Malaysia. With the government of Malaysia's unwavering commitment towards the Paris Agreement and the implementation of the Malaysian Electricity Supply Industry (MESI) 2.0 to achieve 20% RE target by 2025 and energy market liberalisation, the growth of Malaysia's energy industry is expected. Besides, future LSS tenders will double due to ever-growing demands for green and sustainable energy and hence, enhance Cypark's growth prospects from the year 2020 onwards. The fact that the current LSS3 solar cost is lower than the average cost of gas-based energy generation, it encourages the government of Malaysia to further develop the solar sector. A similar trend in other Southeast Asia countries such as Thailand, Singapore and Vietnam has provided Cypark with additional opportunities to expand its market presence in the region.

With the government's proposed market liberalisation measures under MESI 2.0, Cypark is actively looking for opportunities to supply RE directly to end client via Peer-To-Peer and Third-Party Access initiatives. Cypark has recently participated in the trial run of the Third-Party Access, and the progress so far have been very encouraging. Once the government is ready to implement the proposal, Cypark target to increase its total RE capacity under its operation to 300-400MW in the next few years and further expand the client base.

Currently Cypark owns, operates and manages approximately 47 MWdc of solar plants. In 2020, this capacity is expected to increase to approximately 200 MWdc with the expected completion of LSS2 and several NEM Projects in 2020. Our 20 MWac WTE plant in Ladang Tanah Merah is also anticipated to complete in 2020. We are also looking forward to participating in the coming WTE tenders that are expected to start in 2020 in Johor, Kedah and Melaka. Our Biomass and Biogas is currently about 2 MWdc generation capacity. Cypark foresees to add more capacity between 5MWac to 10MWac of biogas and biomass per year as Cypark believes this untapped potential could contribute to more than 10% of total future energy generation in Malaysia if its potential is fully realised.

**Environmental Engineering & Solution**

This promising sector has always been Cypark's biggest contributor to the Group's revenue along with the Renewable Energy sector. This sector is envisaged to achieve strong growth taking cue from Cypark's recent success in signing the Memorandum of Understanding with the Kedah's and Negeri Sembilan's investment arms to develop more than 100MWp rooftop solar projects under the Net Energy Metering (NEM) scheme. Moreover, Cypark is convinced that with the realisation of Malaysian Electricity Supply Industry 2.0 (MESI 2.0) by its improved NEM scheme launched, this will together escalate Cypark's renewable energy generation through NEM thus attributed to its meritorious growth and performance. Cypark strongly believes this improvement shall enlarge Cypark's RE coverage and shall place Cypark as the avant-garde company in providing affordable and sustainable option to the end-users.

**B3. Prospects for the Current Financial Year – cont'd**

For FY2020, the EPCC contracts of LSS2 and NEM will continue as the key contributors to the group's performance. Moreover, with the 1400MWac solar under the stimulus package, and with the 20% RE generating capacity target of 6,000MW by 2025, Cypark expects there will be more and more LSS tenders coming up in the future. Being the only local company that won the recent 100MW LSS3 project, having a good track record in bidding and securing LSS projects and successful completion and commencement of operations, Cypark is optimistic with the success rate of securing at least 20% of the future LSS contracts. With the MOU in place with Kedah and Negeri Sembilan state-linked companies as well as efforts with other states, Cypark will collaborate with each other to execute up to 150MW potential NEM projects in the next two years, where some will be under SARE while others will be direct EPCC. Separately, Cypark also actively participated in several private NEM tenders from universities and government-linked companies, with the hope to secure up to 20% of the tenders submitted.

**Construction Engineering**

The construction sector in Malaysia is expected to see growth of 3.7% in 2020, an increase from the 1.7% predicted to be seen in 2019, according to the Malaysian Ministry of Finance. This sector has been continuously resilient and expected to contribute positively to the company. Cypark will also intensify its effort and resources to secure more projects in construction of infrastructure, landscaping, and residential and commercial building with its proven experience and credibility.

**Green Technology**

The green technology performance is expected to continue its growth due to the improvement in the market growth and better cost management. With increasing demands locally and regionally for biomass pellets, the biomass business is expected to contribute positively to our performance in FYE 2020. Cypark believes its credibility in providing a holistic solution to waste management solutions under the Green Technology sector. Cypark would explore the opportunities in capitalising the SMART waste management systems planned by the KPKT throughout Malaysia by providing the waste management solution to the local government to resolve the impending landfill issues and also reduce the environmental impact.

**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	Preceding Year	Current Year	Preceding Year
	Quarter	Quarter	To Date	To Date
	31 Jan 2020	31 Jan 2019	31 Jan 2020	31 Jan 2019
Profit before tax is stated after crediting:-				
Financing revenue arising from contracts with customers	6,335,428	-	6,335,428	-
Interest income	1,380,719	583,981	1,380,719	583,981
Other income (including investment income)	646,468	437,900	646,468	437,900
Foreign exchange gain - unrealised	9,899	9,248	9,899	9,248
Profit before tax is stated after charging:-				
Interest expenses	10,978,188	2,500,554	10,978,188	2,500,554
Amortisation of intangible assets	911,931	911,931	911,931	911,931
Amortisation of right-of-use assets	-	-	106,145	-
Depreciation	2,170,675	3,400,338	2,170,675	3,400,338
Foreign exchange loss - unrealised	-	-	-	-
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	Preceding Year	Current Year	Preceding Year
	Quarter	Quarter	To Date	To Date
	31 Jan 2020	31 Jan 2019	31 Jan 2020	31 Jan 2019
	RM	RM	RM	RM
Income tax				
- Current	4,418,502	3,712,048	4,418,502	3,712,048
Deferred tax	352,444	3,084	352,444	3,084
	<u>4,770,946</u>	<u>3,715,132</u>	<u>4,770,946</u>	<u>3,715,132</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 expire 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.

A total of 33,800,000 ESOS options ("2019 Options") under the ESOS Scheme was offered to eligible directors and employees at RM1.42 on 30 December 2019 and were fully accepted by all eligible directors and employees on 23 January 2020.

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

<b>Directors</b>	<b>2017 Options Offered (Unit)</b>	<b>Options Accepted (Unit)</b>
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

<b>Directors</b>	<b>2019 Options Offered (Unit)</b>	<b>Options Accepted (Unit)</b>
Tan Sri Razali bin Ismail	4,000,000	4,000,000
Dato' Daud bin Ahmad	12,000,000	12,000,000
Dato' Dr. Freezailah bin Che Yeom	300,000	300,000
Headir bin Mahfidz	300,000	300,000
Megat Abdul Munir bin Megat Abdullah Rafaie	300,000	300,000
Datuk Abdul Malek bin Abdul Aziz	300,000	300,000

Details of the ESOS options exercised by the directors are disclosed as below:-

<b>Directors</b>	<b>Balance as at 1.11.2019</b>	<b>Grant</b>	<b>Exercise</b>	<b>Balance as at 31.1.2020</b>
Tan Sri Razali bin Ismail	3,000,000	4,000,000	-	7,000,000
Dato' Daud bin Ahmad	6,525,000	12,000,000	-	18,525,000
Dato' Dr. Freezailah bin Che Yeom	225,000	300,000	-	525,000
Headir bin Mahfidz	225,000	300,000	-	525,000
Megat Abdul Munir bin Megat Abdullah Rafaie	225,000	300,000	-	525,000
Datuk Abdul Malek bin Abdul Aziz	-	300,000	-	300,000

**B9. Status of corporate proposals – cont'd****a. New ESOS – cont'd****2017 Option**

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

	Outstanding as at 1.11.2019	Movement after bonus issue		Outstanding as at 31.1.2020	Exercisable as at 31.1.2020
		Granted	Exercised		
2017 option	13,173,000	-	-	13,173,000	13,173,000
Weighted average exercise price (RM)	1.40	1.40	-	1.40	1.40
Weighted average remaining contractual life (months)	12				9

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

	Weighted average exercise price (RM)	Exercise period
2017 option	2.12	26.4.2017 – 21.12.2018
**Adjustments after bonus issue	1.40	22.12.2018 – 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

**B9. Status of corporate proposals – cont'd****a. New ESOS – cont'd****2019 Option**

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

	Outstanding as at 1.11.2019	Movement after bonus issue		Outstanding as at 31.1.2020	Exercisable as at 31.1.2020
		Granted	Exercised		
2019 option	-	33,800,000	-	33,800,000	33,800,000
Weighted average exercise price (RM)	-	1.24	-	1.23	1.24
Weighted average remaining contractual life (months)	12				9

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

	Weighted average exercise price (RM)	Exercise period
2019 option	1.42	30.12.2019 – 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)	1.38
Weighted average exercise price (RM)	1.24
Expected volatility (%)	44.91
Expected life (years)	0.83
Risk-free Interest rate (%)	3.39
Expected dividend yield (%)	3.54

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

The Group's borrowings and debts securities as at 31 January 2020 are as follows:-

	<b>31 Jan 2020</b>	<b>31 Jan 2019</b>
	<b>RM</b>	<b>RM</b>
<b>Short term borrowings</b>		
Secured:-		
Bank overdrafts	-	10,834,912
Trust receipts	56,519,895	47,543,783
Finance lease	459,929	441,513
Term loans	44,008,320	44,658,320
Revolving credits	73,000,000	78,000,000
	<u>173,988,144</u>	<u>181,478,528</u>
<b>Long term borrowings</b>		
Secured:-		
Finance lease	1,163,417	1,255,516
Term loans	439,849,412	477,257,737
Bond - Sukuk Murabahah	538,067,701	-
	<u>979,080,530</u>	<u>478,513,253</u>
<b>Total borrowings</b>		
Secured:-		
Bank overdrafts	-	10,834,912
Trust receipts	56,519,895	47,543,783
Finance lease	1,623,346	1,697,029
Term loans	483,857,732	521,916,057
Revolving credits	73,000,000	78,000,000
Bond - Sukuk Murabahah	538,067,701	-
	<u>1,153,068,674</u>	<u>659,991,781</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.

Subject to deferment by the court, the decision was fixed on 24 September 2018. On 24 September 2018, the High Court allowed the Plaintiff’s claim of RM2,677,357.20. A Notice of Appeal was filed by Defendant to the Court of Appeal on 15 October 2018. In addition, the Defendant has also filed an application for stay of execution of the Judgment pending the disposal of the Appeal.

The Appeal was fixed for case management on 17 June 2019 and the parties have on 24 May 2019 entered into a consent order to stay the execution of the High Court’s judgement pending the Appeal. The Court of Appeal matter is fixed for hearing on the 25 August 2020.

**B13. Dividends**

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 2020:-

	Individual Quarter		Cumulative Period	
	Current Year Quarter 31 Jan 2020 RM	Preceding Year Quarter 31 Jan 2019 RM	Current Year To Date 31 Jan 2020 RM	Preceding Year To Date 31 Jan 2019 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	14,548,661	13,008,036	14,548,661	13,008,036
Weighted average number of ordinary shares for basic earnings per shares computation	467,441,453	371,228,246	467,441,453	371,228,246
Effects of dilution - share options	5,167,777	4,085,719	5,167,777	4,085,719
Weighted average number of ordinary shares for diluted earnings per share computation	472,609,230	375,313,965	472,609,230	375,313,965