

Unaudited Condensed Consolidated Statements of Comprehensive Income
For the First Quarter ended 31 January 2021

	<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 2021	31 Jan 2020	%	31 Jan 2021	31 Jan 2020	%
RM	RM	%	RM	RM	%	
Revenue	76,479,214	90,876,030	-15.8%	76,479,214	90,876,030	-15.8%
Cost of sales	(53,139,199)	(64,498,875)	-17.6%	(53,139,199)	(64,498,875)	-17.6%
Gross profit	23,340,015	26,377,155	-11.5%	23,340,015	26,377,155	-11.5%
Other income	928,054	1,635,716	-43.3%	928,054	1,635,716	-43.3%
Administrative expenses	(2,087,666)	(5,265,887)	-60.4%	(2,087,666)	(5,265,887)	-60.4%
Operating profit	22,180,403	22,746,984	-2.5%	22,180,403	22,746,984	-2.5%
Finance costs	(1,676,427)	(3,351,064)	-50.0%	(1,676,427)	(3,351,064)	-50.0%
Share of results of an associate	(109,991)	(76,781)	43.3%	(109,991)	(76,781)	43.3%
Profit before tax	20,393,985	19,319,139	5.6%	20,393,985	19,319,139	5.6%
Tax expense	(5,488,916)	(4,770,946)	15.0%	(5,488,916)	(4,770,946)	15.0%
Profit for the year	14,905,069	14,548,193	2.5%	14,905,069	14,548,193	2.5%
Other comprehensive income net of tax	-	-		-	-	
Total comprehensive income for the year	14,905,069	14,548,193	2.5%	14,905,069	14,548,193	2.5%
Total comprehensive income attributable to:-						
- Owners of the Company	14,982,846	14,548,661	3.0%	14,982,846	14,548,661	3.0%
- Non-controlling interest	(77,777)	(468)		(77,777)	(468)	
	14,905,069	14,548,193	2.5%	14,905,069	14,548,193	2.5%
Earnings per share for profit attributable						
to the owners of the Company (sen per share)						
- Basic	2.64	3.11		2.64	3.11	
- Diluted	2.62	3.08		2.62	3.08	

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 2020 and the accompanying notes attached to the unaudited interim financial statements.

Unaudited Condensed Consolidated Statements of Financial Position As at 31 January 2021

	Unaudited As At 31 Jan 2021 RM	Audited As At 31 Oct 2020 RM
Assets		
Non-current assets		
Plant and equipment	324,631,013	288,572,298
Right-of-use assets	6,562,184	6,771,094
Intangible assets	899,778,229	890,858,580
Investment in associated company	3,321,750	3,431,741
Deferred tax assets	5,807,702	3,693,590
Long term trade receivables	2,992,383	2,947,942
	<u>1,243,093,260</u>	<u>1,196,275,245</u>
Current assets		
Contract assets	760,704,214	702,103,473
Trade and other receivables	85,063,449	115,453,429
Other current assets	950,621	1,282,717
Tax recoverable	13,170	7,000
Cash and bank balances	342,553,998	359,379,856
	<u>1,189,285,452</u>	<u>1,178,226,476</u>
Total assets	<u>2,432,378,712</u>	<u>2,374,501,721</u>
Equity and liabilities		
Current liabilities		
Loans and borrowings	234,655,853	233,006,441
Trade and other payables	122,700,855	133,191,602
Lease liabilities	720,209	697,530
Tax payable	13,163,594	15,527,755
	<u>371,240,511</u>	<u>382,423,328</u>
Net current assets	<u>818,044,941</u>	<u>795,803,148</u>
Non-current liabilities		
Loans and borrowings	986,864,347	986,068,506
Trade and other payables	33,116,866	31,982,615
Lease liabilities	6,447,491	6,624,908
Deferred tax liabilities	19,205,000	16,866,301
	<u>1,045,633,705</u>	<u>1,041,542,330</u>
Total liabilities	<u>1,416,874,216</u>	<u>1,423,965,658</u>
Net assets	<u>1,015,504,496</u>	<u>950,536,063</u>
Equity		
Share capital	414,749,350	409,542,780
Treasury Shares	(5,790,060)	(5,790,060)
Reverse acquisition reserve	(36,700,000)	(36,700,000)
Share option reserve	2,635,287	3,010,955
Retained earnings	473,176,923	460,609,870
Equity attributable to owners of the Company	<u>848,071,500</u>	<u>830,673,545</u>
Perpetual Sukuk	166,118,385	118,470,131
Non-controlling interests	<u>1,314,611</u>	<u>1,392,387</u>
Total Equity	<u>1,015,504,496</u>	<u>950,536,063</u>
Total equity and liabilities	<u>2,432,378,712</u>	<u>2,374,501,721</u>
Net assets per share attributable to owners of the Company (RM)	2.11	2.01

Note:

- The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 October 2020 and the accompanying notes attached to the unaudited interim financial statements.

CYPARK RESOURCES BERHAD (Reg. No.: 200401004491(642994-H))
UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JANUARY 2021

Statements of Changes in Equity For the First Quarter ended 31 January 2021

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

	Share capital RM	Treasury Shares RM	Share option reserve RM	Reverse acquisition reserve RM	Retained earnings RM	Total RM	Perpetual Sukuk RM	Non-controlling interests RM	Equity Total RM
2021									
Group									
Opening balance at 1 November 2020	409,542,780	(5,790,060)	3,010,955	(36,700,000)	460,609,870	830,673,545	118,470,131	1,392,387	950,536,063
Total comprehensive income	-	-	-	-	14,982,846	14,982,846	-	(77,777)	14,905,069
Issuance of Perpetual Sukuk (net of Expenses)	-	-	-	-	-	-	45,232,461	-	45,232,461
Transactions with owners									
Issuance of ESOS	-	-	269,395	-	-	269,395	-	-	269,395
Exercise of employee share options	5,206,570	-	(645,063)	-	-	4,561,508	-	-	4,561,508
Distribution to Perpetual Sukuk Holders	-	-	-	-	(2,415,793)	(2,415,793)	2,415,793	-	(2,415,793)
Total transactions with owners	5,206,570	-	(375,668)	-	(2,415,793)	2,415,109	2,415,793	-	2,415,109
Closing balance at 31 January 2021	414,749,350	(5,790,060)	2,635,287	(36,700,000)	473,176,923	848,071,500	166,118,385	1,314,611	1,015,504,496
2020									
Group									
Opening balance at 1 November 2019	400,839,174	-	1,981,219	(36,700,000)	391,062,634	757,183,027	-	(3,750)	757,179,277
Total comprehensive income	400,839,174	-	1,981,219	(36,700,000)	391,062,634	757,183,027	-	(3,750)	757,179,277
Total comprehensive income	-	-	-	-	14,548,661	14,548,661	-	(468)	14,548,193
Transactions with owners									
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
Closing balance at 31 January 2020	400,839,174	-	3,872,329	(36,700,000)	405,611,295	773,622,798	-	(4,218)	773,618,580

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 2020 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 2021

	3 months ended	
	31 Jan 2021 RM	31 Jan 2020 RM Restated
Cash flows from operating activities		
Profit before tax	20,393,985	19,319,139
Adjustments for:		
Depreciation of plant and equipment	2,007,834	2,019,918
Share of results in associated company	109,991	76,781
Unrealised foreign exchange gain	(1,599)	(9,899)
Issuance of ESOS	269,395	1,891,110
Depreciation of right-of-use assets	223,715	256,901
Amortisation of intangible assets	909,919	911,931
Finance income - other liabilities at amortised costs	(27,203)	(215,141)
Interest expense	9,432,418	10,978,188
Interest income	(735,053)	(1,380,719)
Operating cash flows before changes in working capital	32,583,401	33,848,210
Changes in working capital:		
Trade and other receivables	30,389,980	(8,188,418)
Other current assets	332,096	(1,096,417)
Contract assets	(58,600,741)	(69,810,818)
Trade and other payables	(9,551,186)	(23,750,492)
Cash flows used in operations	(4,846,448)	(68,997,934)
Interest paid	(8,825,381)	(10,308,649)
Tax paid	(7,634,659)	(3,340,470)
Net cash flows used in operating activities	(21,306,488)	(82,647,053)
Cash flows from investing activities		
Additions to intangible assets	(9,829,568)	(7,729,255)
Purchase of plant and equipment	(38,066,549)	1,469,375
Additions to right-of-use assets	(14,804)	-
Interest received	735,053	1,380,719
Net cash flows used in investing activities	(47,175,868)	(4,879,162)
Cash flows from financing activities		
Proceeds from issuance of ordinary shares - ESOS	4,561,508	-
Perpetual sukuk - net of expenses	45,232,461	-
Payment of lease liabilities	(265,421)	(19,999)
Revolving credit, net	27,626,454	(10,400,000)
Short term borrowings, net	(52,943,670)	(107,757)
Term loans, net	32,368,540	(9,559,585)
Finance lease obligations, net	-	(1,728,946)
Net cash flows generated from financing activities	56,579,870	(21,816,287)
Net decrease in cash and cash equivalents	(11,902,486)	(109,342,501)
Cash and cash equivalents at beginning of financial year	354,311,220	523,228,075
Cash and cash equivalents at end of financial year	342,408,734	413,885,574
Cash and cash equivalents at the end of the financial year comprise the following:		
Short term deposits with licensed banks	258,495,326	357,943,660
Cash at banks and in hand	84,058,672	55,941,914
Cash and bank balances	342,553,998	413,885,574
Less: Bank overdrafts	(145,264)	-
	342,408,734	413,885,574

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 2020 and the accompanying notes attached to the unaudited interim financial statements.

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 2020. 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 2020.

A2. Changes in accounting policies

The significant accounting policies and computation methods are consistent with those adopted for the year ended 31 October 2020, except for the adoption of the following new MFRS and Issue Committee Interpretations (“IC Interpretations”) issued by the Malaysian Accounting Standards Board (“MASB”):

MFRSs, Amendments to MFRSs and IC Interpretation		Effective for annual period beginning on or after
Amendments to MFRS 3	Definition of Business	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7	Interest Rate Benchmark Reform	1 January 2020
Amendments to MFRS 16	Covid-19-Related Rent Concessions	1 June 2020
Amendments to MFRS 101 & MFRS 108	Definition of Material	1 January 2020

The adoption of the above mentioned standards did not have a material impact on the financial statements of the Group.

A2. Changes in accounting policies – cont'd

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:-

MFRSs, Amendments to MFRSs and IC Interpretation		Effective for annual period beginning on or after
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)	Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to MFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 1, 9 and 141	Annual Improvements to MFRS Standards 2018-2020	1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds before intended use	1 January 2022
Amendments to MFRS 137	Onerous Contracts-Cost of Fulfilling a Contract	1 January 2022
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2023
MFRS 17 and amendments to MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 101 & MFRS 108	Disclosure of Accounting Estimates	1 January 2023
Amendments to MFRS 10 and MFRS 128	Sales or Contribution of Assets between and Investor and its Associate or Joint Venture	<i>Deferred</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.

A7. Changes in debt and equity securities

Save as disclosed below, there were no issuance, cancellation, repurchase, resale, and repayment of debt and equity securities for the current financial quarter:-

Perpetual Sukuk Musharakah

During the current financial quarter, Cypark Renewable Energy Sdn Bhd (“CRE”), the wholly owned subsidiary of the Company, issued the Tranche 1 – Series 3 of unrated perpetual Islamic Medium Term Notes (“Perpetual Sukuk Musharakah”) of RM30.25 million under the Perpetual Sukuk Musharakah Programme (“the Programme”) on 19 November 2020. It was followed with the issuance of the Tranche 1 – Series 4 amounting to RM15.4 million on 30 December 2020. Subsequent to the end of the financial quarter, CRE issued the Tranche 1 – Series 5 amounting of RM30.1 million under the Programme on 22 February 2021.

As of the latest practicable date, on cumulative basis, CRE has issued a total of RM195.1 million of unrated Perpetual Sukuk Musharakah under the Programme. The Programme allows for the issuance of Perpetual Sukuk Musharakah from time to time, with flexibility for CRE to issue secured/unsecured Perpetual Sukuk Musharakah subject to the aggregate outstanding nominal amount not exceeding RM500.0 million at any point in time. The Perpetual Sukuk Musharakah may be issued in one or more tranches. The secured Perpetual Sukuk Musharakah shall be secured by the security allocated for such tranche.

A8. Dividends paid

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

CYPARK RESOURCES BERHAD (Reg. No.: 200401004491(642994-H))
UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JANUARY 2021

A9. Segmental Information

The Group has further streamlined and regrouped its core businesses into the four segments, namely Renewable Energy, Construction & Engineering, Green Tech & Environmental Services, Waste Management & Waste –To-Energy.

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

	Renewable Energy RM	Construction & Engineering RM	Green Tech & Environmental Services RM	Waste Management & Waste-To-Energy RM	Elimination RM	Total RM
3 months ended 31 Jan 2021						
Revenue						
Sale to external customers	64,725,242	4,594,081	1,086,657	6,073,234	-	76,479,214
Inter-segment sales	141,524,297	18,234,100	977,991	-	(160,736,388)	-
Total revenue	206,249,539	22,828,181	2,064,648	6,073,234	(160,736,388)	76,479,214
Results						
Profit before tax	17,060,300	1,061,166	308,429	1,964,091	-	20,393,985
Income tax expense						(5,488,916)
Profit net of tax						14,905,069
3 months ended 31 Jan 2020						
Revenue						
Sale to external customers	78,608,919	9,191,458	1,039,478	2,036,175	-	90,876,030
Inter-segment sales	109,527,476	3,340,313	935,531	-	(113,803,320)	-
Total revenue	188,136,395	12,531,771	1,975,009	2,036,175	(113,803,320)	90,876,030
Results						
Profit before tax	15,809,714	2,471,306	272,167	765,952	-	19,319,139
Income tax expense						(4,770,946)
Profit net of tax						14,548,193

(Note: For information, certain comparative figures in the prior period have been restated /reclassified to conform with the current year's presentation under each segment.)

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 2021:-

Capital expenditure	RM
Approved and contracted for:-	
- Intangible assets	<u>262,466,000</u>

CYPARK RESOURCES BERHAD (Reg. No.: 200401004491(642994-H))
UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JANUARY 2021

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 24 March 2021, 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.

A14. Contingent liabilities

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

	31 Jan 2021
	RM
Secured:	
- Performance bond/tender bond guarantees favouring Government/ Statutory bodies for various projects	7,926,338
- Bank guarantees extended to Government Bodies/Companies for various projects	191,058,167
- Letter of credits given to suppliers for purchase of materials	9,602,529
	<u>208,587,035</u>
Unsecured:	
- Corporate guarantees given to banks for credit facilities granted to subsidiaries	<u>1,317,020,000</u>
	<u>1,317,020,000</u>
TOTAL	<u>1,525,607,035</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 January 2021 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	1,551,941	1,551,941	2,422,223

B1. Analysis of performance**Current Year Quarter ended 31 January 2021 vs Preceding Year Quarter ended 31 January 2020**

The Group registered a total revenue of RM76.5 million for 1Q2021 as compared to RM90.9 million recorded in 1Q2020. Lower revenue in the current quarter was mainly due to the continuous impact on our work progress at sites as a result of complying with the various Movement Control Orders (“MCO”) implemented by the government in different states. (Higher revenue was recorded in 1Q2020 as the Covid-19 pandemic only started to affect our economy and businesses from 2Q2020).

Despite the decrease in revenue, the profit before tax for 1Q2021 increased by RM1.1 million or 5.6% to RM20.4 million as compared to RM19.3 million recorded in 1Q2020. The Group’s profit after tax for 1Q2021 increased by RM0.4 million or 2.5% to RM14.9 million from RM14.5 million recorded in preceding year quarter. This was mainly attributed to the saving in the interest cost arising from the conversion of certain conventional financing to issuance of perpetual sukuk and lower borrowing rates due to the cutting of overnight policy rate by Bank Negara Malaysia. This was also due to the decrease of staff expenses recognised in current quarter as compared to 1Q2020.

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

Renewable Energy

The revenue for 1Q2021 was recorded at RM64.7 million as compared to RM78.6 million in 1Q2020, which represented a decrease of RM13.9 million or 17.7%. This was mainly due to lower work activities of the ongoing EPCC projects arising from the slowdown of site work activities during various MCOs which were implemented by government in different states in current quarter. Despite the decrease in revenue, the profit before tax for 1Q2021 increased by RM1.3 million or 7.9% to RM17.1 million as compared to RM15.8 million in 1Q2020. This was mainly contributed by the lower finance costs in 1Q2021 due to the issuance of the perpetual sukuk since 4Q2020.

Construction & Engineering

The revenue for 1Q2021 was recorded at RM 4.6 million as compared to RM9.2 million recorded in 1Q2020. This was mainly due to the suspension/slowdown of the site work activities of the ongoing projects due to movement control. The profit before tax for 1Q2021 for this division accordingly also decreased to RM1.1 million as compared to RM2.5 million recorded in 1Q2020.

Green Tech & Environmental Services

The revenue generated by this essential services division for 1Q2021 increased marginally to RM1.1 million as compared to RM1.0 million recorded in 1Q2020. The profit before tax in current quarter maintained at RM0.3 million as compared to 1Q2020.

Waste Management & Waste-To-Energy

The revenue for this division increased significantly by 2 folds, RM4.0 million to RM6.1 million in 1Q2021 as compared RM2.0 million recorded in 1Q2020. The increase was mainly contributed by the work progress recognised from the WTE project. The profit before tax of this division increased by 156.4% or RM1.2 million to RM2.0 million as compared to RM0.8 million recorded in 1Q2020.

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 RM5.2 million to RM76.5 million as compared to RM81.7 million recorded in the immediate preceding quarter. This was mainly caused by the lower site activities of the projects during various MCOs. The profit before tax of the group for the current quarter was recorded at RM20.4 million as compared to RM33.7 million in the immediate preceding quarter. Higher profit was recorded in the immediate preceding quarter due to the better profit margin from the specialist projects obtained in 4Q2020 and the reversal of unutilised bonus and excess cost provision which were no longer required as at year end.

B3. Prospects for the Current Financial Year

The demand for renewable energy (“RE”) continues to grow and this is evident with recent announcements made in the last quarter of 2020 which upholds support for RE. In December 2020, the Malaysian Government have announced the extension of the Net Energy Metering (“NEM”) 3.0 from 2021 to 2023, providing a quota of 300MW out of 500MW to commercial and industrial players like Cypark Resources Berhad (“Cypark”). RE players can also benefit from the extension of Green Investment Tax Allowance (“GITA”) and Green Income Tax Exemption (“GITE”) incentives until 2023 and the Green Technology Financing Scheme (“GTFS”) 3.0 with a fund size of 2 billion ringgit until 2022. As for Waste to Energy (“WTE”), Kementerian Perumahan dan Kerajaan Tempatan (“KPKT”) has proceeded with the tendering of two WTE Projects in Johor and Malacca as part of its plan to build 5 WTEs within the next few years.

Cypark being the leading environmental solution and renewable energy company in Malaysia has taken pre-emptive steps to endure the economic impact of the COVID-19 pandemic. For FYE 2021, Cypark foresees a strong recovery year as higher EPCC revenue contribution is expected from the LSS2 project due to the shift of revenue timing from FYE 2020 to FYE 2021.

Renewable Energy

Despite the COVID-19 pandemic impacting our economy, the Malaysian Government has been steadfast in its commitment towards the 2012 Paris Agreement targets. The government’s decision to stimulate clean energy transitions by making investment in renewables as a pivotal part of its economic stimulus packages to reinvigorate the Malaysian economy that was badly impacted by the COVID-19 pandemic is very much applaudable. The Government’s determination to achieve its 20% (6,000MW) renewable energy target by 2025, Expected to drive further the local RE market that Cypark believes there will be further extension to the LSS programme possibly LSS5 and LSS6 that could prospectively offer similar excitement as the 2020’s LSS4 tender, if not more in the near future. Cypark is currently offering its proven expertise in solar project development to the recently announced winners of the LSS4 tenders and target to secure some jobs from the estimated RM3-4 four billions worth of EPCC works.

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 has 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.

Work has already commenced on the 100MWac LSS3 project in Merchang, Terengganu and it is progressing well to achieve the completion date of 31 December 2021. Upon completion, it will contribute significantly to Cypark’s revenue in FYE 2022. Together with the LSS3 project and a total of 150MWp solar assets including 100MWp floating solar in 2021 under the EPCC plus Operation and Maintenance (O&M) long term contract, the number of secured capacity of solar assets built, owned and/or operated by Cypark will reach over 375MWp.

Cypark is optimistic with the success rate of securing at least 20% of the future LSS contracts from the national generating target of 6000MW by 2025. Cypark’s collaborations with the state-linked companies of Kedah, Negeri Sembilan, Melaka and Johor are eyeing a total capacity of up to 150MW potential NEM projects in the next two years, where some will be under Supply Agreement of Renewable Energy (“SARE”) while others will be direct EPCC. Separately, Cypark 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.

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

Due to the impact of the pandemic, the Malaysian construction sector contracted by 18.7% in 2020 on estimation. However, civil engineering and specialized construction activities sub-sectors are expected to improve gradually, cushioned by various measures under the economic stimulus packages.

The construction sector is expected to rebound by 13.9% in 2021 on account of the acceleration and revival of major infrastructure projects and affordable housing projects. The civil engineering subsector will continue to be the main driver of the construction sector. Cypark continues to 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 & Environmental Services

Cypark's existing venture in the biomass sector have shown good prospect for further growth and with increasing demands locally and regionally for biomass pellets, the biomass business has contributed positively to our performance in FYE 2020. The overseas demand for biomass product remains strong despite the COVID-19 pandemic and Cypark believes this venture will continue to contribute positively in FYE 2021. Cypark plans to expand the capacity in the future and to start developing the second biomass plant later in 2021.

For the biogas sector, with another up to 30MW quota for biogas available annually in the future, Cypark foresees the high demand for green energy generation using Palm Oil Mill Effluent ("POME"). According to Malaysian Investment Development Authority (MIDA) 2018 report, there are total of 111 potential business projects worth RM4.1 billion in the prism of green and sustainable field.

In 2020, Cypark, through its subsidiary company, managed to secure additional biogas quota of 1.1MW for the POME project in Ulu Remis, Johor following its first achievement in securing a similar biogas plant in Batu Gajah, Perak. As Cypark's target to increase its future biogas RE capacity to 30MW by 2025, the two POME biogas plants will pave way for bigger biogas ventures.

Waste Management & Waste To Energy ("WTE")

Another area of growth for renewable energy is WTE. Cypark's WTE plant at Ladang Tanah Merah, Negeri Sembilan which is the first of its kind in Malaysia, is expected to be in commission by mid of 2021. Once commissioned, the integrated WTE plant is expected to contribute up to RM80 million a year in revenue. Cypark is participating in two WTE tenders in Johor and Malacca in collaboration with Johor and Malacca state owned companies. The two WTE tenders are part of the five WTE tenders that were announced by KPKT under its national WTE implementation plan. With the track record of constructing, owning, and operating the country's first WTE plant, Cypark stands a good chance to win more WTE projects in the future. Cypark expects future WTE plant capacity to be between 15MW to 25MW with an expected investment value of above RM500 million each.

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 2021	Preceding Year Quarter 31 Jan 2020 Restated	Current Year To Date 31 Jan 2021	Preceding Year To Date 31 Jan 2020 Restated
Profit before tax is stated after crediting:-				
Financing revenue arising from contracts with customers	9,621,562	6,335,428	9,621,562	6,335,428
Interest income	735,054	1,380,719	735,054	1,380,719
Other income (including investment income)	193,001	254,997	193,001	254,997
Foreign exchange gain - unrealised	1,599	9,899	1,599	9,899
Profit before tax is stated after charging:-				
Interest expenses	9,432,418	10,978,188	9,432,418	10,978,188
Amortisation of intangible assets	909,919	911,931	909,919	911,931
Depreciation of right-of-use assets	223,715	256,901	223,715	256,901
Depreciation of plant and equipment	2,007,834	2,019,918	2,007,834	2,019,918
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 Quarter 31 Jan 2021 RM	Preceding Year Quarter 31 Jan 2020 RM	Current Year To Date 31 Jan 2021 RM	Preceding Year To Date 31 Jan 2020 RM
Income tax				
- Current	5,264,329	4,418,502	5,264,329	4,418,502
Deferred tax	224,587	352,444	224,587	352,444
	<u>5,488,916</u>	<u>4,770,946</u>	<u>5,488,916</u>	<u>4,770,946</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. 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 (10th) 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:-

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

Directors	2019 Options Offered (Unit)	Options Accepted (Unit)
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

However, all the outstanding ESOS options of 2017 Options and 2019 Options totalling 46,973,000 units were cancelled upon the mutual agreement with the respective ESOS Options holders on 11 March 2020. The cancellation was mainly due to the outstanding ESOS Options no longer serve as the effective tools to motivate, encourage, reward and retain the eligible employees and the Directors since the CRB shares have predominantly been trading below the exercise prices of the ESOS Options.

Subsequent to the cancellation, a total of 48,600,000 ESOS options ("2020 Options") under the ESOS Scheme was offered to eligible directors and employees at RM0.595 on 26 March 2020 and were fully accepted by all the eligible directors and employees on 17 April 2020.

B9. Status of corporate proposals – cont’d

a. ESOS – cont’d

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

Directors	2020 Options Offered (Unit)	Options Accepted (Unit)
Tan Sri Razali bin Ismail	7,000,000	7,000,000
Dato’ Daud bin Ahmad	19,525,000	19,525,000
Dato’ Dr. Freezailah bin Che Yeom	525,000	525,000
Headir bin Mahfidz	525,000	525,000
Megat Abdul Munir bin Megat Abdullah Rafaie	525,000	525,000
Datuk Abdul Malek bin Abdul Aziz	300,000	300,000

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

Directors	Balance as at 1.11.2020	Granted	Exercised	Balance as at 31.01.2021
Tan Sri Razali bin Ismail	7,000,000	-	(3,000,000)	4,000,000
Dato’ Daud bin Ahmad	19,525,000	-	-	19,525,000
Dato’ Dr. Freezailah bin Che Yeom	525,000	-	-	525,000
Headir bin Mahfidz	525,000	-	-	525,000
Megat Abdul Munir bin Megat Abdullah Rafaie	525,000	-	-	525,000
Datuk Abdul Malek bin Abdul Aziz	300,000	-	-	300,000

Upon the recommendation of Option Committee, the Company had on 9 October 2020 announced that the duration of the ESOS will be extended for a further of one (1) year period from 19 October 2020 to 18 October 2021.

A total of 8,950,000 new ESOS options (“2021 Options”) under the ESOS Scheme was offered to eligible employees at RM1.16 on 19 January 2021 and fully accepted by all eligible employee on 8 February 2021.

2017 Option

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

	Outstanding as at 1.11.2020	Granted	Cancelled	Outstanding as at 31.01.2021	Exercisable as at 31.01.2021
2017 option	-	-	-	-	-
Weighted average exercise price (RM)	-	-	-	-	-
Weighted average remaining contractual life (months)	NA			N/A	

B9. Status of corporate proposals – cont'd

a. ESOS – cont'd

The details of the share options outstanding 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 – 18.10.2021

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 (%)	<u>2.47</u>

Note: The above ESOS Options were cancelled on 11 March 2020.

2019 Option

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

	Outstanding as at 1.11.2020	Granted	Cancelled	Outstanding as at 31.01.2021	Exercisable as at 31.01.2021
2019 option	-	-	-	-	-
Weighted average exercise price (RM)	-	-	-	-	-
Weighted average remaining contractual life (months)	<u>NA</u>				<u>N/A</u>

The details of the share options outstanding are as follows:

	Weighted average exercise price (RM)	Exercise period
2019 option	1.24	30.12.2019 – 18.10.2021

B9. Status of corporate proposals – cont'd

a. ESOS – cont'd

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 (%)	<u>3.54</u>

Note: The above ESOS Options were cancelled on 11 March 2020

2020 Option

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

	Outstanding as at 1.11.2020	Granted	Exercised	Outstanding as at 31.01.2021	Exercisable as at 31.01.2021
2019 option	35,784,400	-	(7,666,400)	28,118,000	28,118,000
Weighted average exercise price (RM)	0.595	-	0.595	0.595	0.595
Weighted average remaining contractual life (months)	<u>12</u>				<u>9</u>

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

	Weighted average exercise price (RM)	Exercise period
2020 option	0.595	26.3.2020 – 18.10.2021

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)	0.70
Weighted average exercise price (RM)	0.595
Expected volatility (%)	39.07
Expected life (years)	0.75
Risk-free Interest rate (%)	2.89
Expected dividend yield (%)	<u>0</u>

B9. Status of corporate proposals – cont'd

a. ESOS – cont'd

2021 Option

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

	Outstanding as at 1.11.2020	Granted	Exercised	Outstanding as at 31.01.2021	Exercisable as at 31.01.2021
2019 option	-	8,950,000	-	8,950,000	8,950,000
Weighted average exercise price (RM)	-	1.16	-	1.16	1.16
Weighted average remaining contractual life (months)	12				9

The details of the share options outstanding are as follows:

	Weighted average exercise price (RM)	Exercise period
2021 option	1.16	19.01.2021 – 18.10.2021

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)	1.39
Weighted average exercise price (RM)	1.16
Expected volatility (%)	50.31
Expected life (years)	0.75
Risk-free Interest rate (%)	1.94
Expected dividend yield (%)	0.00

B10. Group's borrowings and debts securities

The Group's borrowings and debts securities as at 31 January 2021 are as follows:-

	31 Jan 2021	31 Jan 2020
	RM	Restated RM
Short term borrowings		
Secured:-		
Bank overdrafts	145,264	-
Trust receipts	59,247,133	56,519,895
Term loans	34,760,000	44,008,320
Revolving credits	140,503,456	73,000,000
	<u>234,655,853</u>	<u>173,528,215</u>
Long term borrowings		
Secured:-		
Term loans	449,822,689	439,849,412
Bond - Sukuk Murabahah	537,041,658	538,067,701
	<u>986,864,347</u>	<u>977,917,113</u>
Total borrowings		
Secured:-		
Bank overdrafts	145,264	-
Trust receipts	59,247,133	56,519,895
Term loans	484,582,689	483,857,732
Revolving credits	140,503,456	73,000,000
Bond - Sukuk Murabahah	537,041,658	538,067,701
	<u>1,221,520,201</u>	<u>1,151,445,328</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. The hearing date for the appeal fixed on 25 August 2020 has been vacated by the Court of Appeal. Instead, a case management has been fixed on 02 September 2020. During the case management on 02 September 2020, the Court directed for another case management on 23 September 2020 for parties to fix dates for the hearing of the appeal. The Court has fixed the matter for another case management on 27 April 2021 and the hearing of the appeal fixed on 11 May 2021.

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 2021:-

	Individual Quarter		Cumulative Period	
	Current Year Quarter 31 Jan 2021 RM	Preceding Year Quarter 31 Jan 2020 RM	Current Year To Date 31 Jan 2021 RM	Preceding Year To Date 31 Jan 2020 RM
Profit net of tax, representing total comprehensive income attributable to owners of the Company	14,982,846	14,548,661	14,982,846	14,548,661
Distribution to holders of perpetual sukuk	(2,415,793)	-	(2,415,793)	-
	<u>12,567,053</u>	<u>14,548,661</u>	<u>12,567,053</u>	<u>14,548,661</u>
Weighted average number of ordinary shares for basic earnings per shares computation	476,164,462	467,441,453	476,164,462	467,441,453
Effects of dilution - share options	3,933,113	5,167,777	3,933,113	5,167,777
Weighted average number of ordinary shares for diluted earnings per share computation	<u>480,097,575</u>	<u>472,609,230</u>	<u>480,097,575</u>	<u>472,609,230</u>