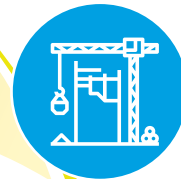




Cypark

# ENERGISING A SUSTAINABLE FUTURE

ANNUAL REPORT 2021



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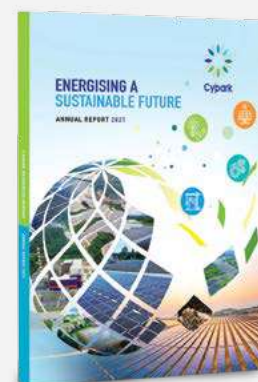
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### ENERGISING A SUSTAINABLE FUTURE

As Malaysia's pioneering developer and provider of green energy solutions, Cypark Resources Berhad ("Cypark") is committed to harness sustainable innovation, progress and development in providing quality living environments for the good of all.

This year's dynamic cover shows integration of holistic solutions that are good for the planet. This is done by combining the real images of panels to form the globe. The panels symbolise icons which represent each business segment of Cypark.



Please visit [www.crbenv.com](http://www.crbenv.com) or scan the QR Code to download the 2021 Annual Report

## WHO WE ARE

CYPARK RESOURCES BERHAD IS A PUBLIC LISTED COMPANY ON THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD SINCE 2010. WE ARE MALAYSIA'S PIONEERING DEVELOPER AND PROVIDER IN INTEGRATED RENEWABLE ENERGY, CONSTRUCTION AND ENGINEERING, GREEN TECH AND ENVIRONMENTAL SERVICES, AND WASTE MANAGEMENT AND WASTE-TO-ENERGY.

Cypark's establishment is based on sustainable innovation, progress and development in providing quality living environment through top-notch professional engineering and environmentally friendly products, maintenance and services. Expertise, experience and enduring research and development efforts are the essence of our business strategy and transformation.

Cypark's value proposition lies in optimising resources, minimising cost and investment, and maximising results, which gives us the competitive vantage point. Cost leadership is the core of Cypark's business activities, which has advanced us as the pioneer in the environmental related industry.

Energising sustainability is Cypark's business: economically, environmentally and socially. It is the business of designing a better future, a cleaner planet and a greener earth for the future generation.

## AT A GLANCE



**Revenue**  
**RM315.3**  
million



**Adjusted EBITDA**  
**RM141.9**  
million



**Profit After Tax**  
**RM75.3**  
million



**Net Asset**  
**RM1,190.5**  
million



**Sanitary Landfill  
Receiving Waste  
Capacity**  
**1,000**  
Tonnes Per Day



**Avoidance of  
Carbon Dioxide  
Equivalence  
(Co<sub>2</sub> Eq)**  
from 2013-2021  
**279,277.56**  
Tonnes



**Coal Fire  
Avoidance**  
from 2013 - 2021  
**49,717.49**  
Tonnes



**Renewable  
Energy  
Generation**  
from 2013 to 2021  
**404,750.08**  
MWh



**Capacity of  
Renewable Energy  
from Solar Project**  
**400**  
MW (by 2022)



**Waste-to-Energy  
Plant Processed  
Waste Capacity**  
**600**  
Tonnes Per Day





## VISION

To provide world-class professional engineering and renewable products and services through smart application of environmental science, technology and methodologies, resulting in innovative, practical and cost-effective solutions.



## MISSION

To enhance the quality of living environment. We are a team of multi-disciplinary professionals committed to providing quality services beyond our clients' expectations and work towards the best interests of our stakeholders through continuous improvement of our skills.



## PHILOSOPHY

We will continue to be a client focused and people-orientated organisation providing technically well-founded and innovative Environmental Solutions of the highest quality.

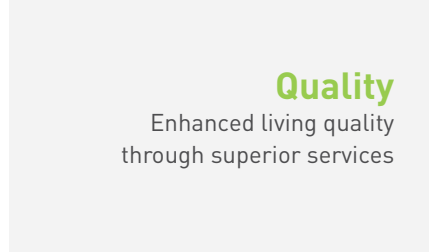


## VALUES



### Compassion

Honesty, care, attention, and maintenance for the environment and more importantly, the people



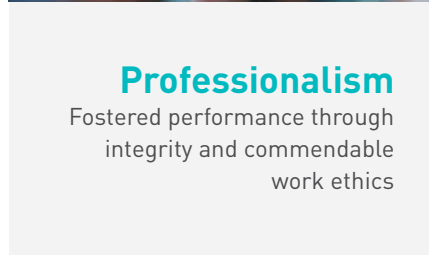
### Quality

Enhanced living quality through superior services



### Teamwork

Solidified human capital towards the Company's philosophy, vision and mission



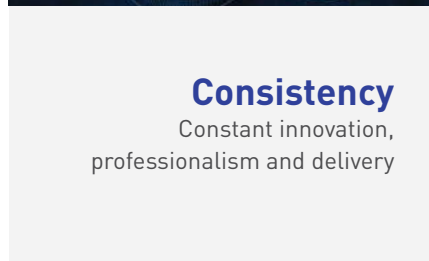
### Professionalism

Fostered performance through integrity and commendable work ethics



### Diligence

Energised commitment in execution, products and services



### Consistency

Constant innovation, professionalism and delivery



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Tan Sri Razali bin Ismail

Executive Chairman and Non-Independent Executive Director

### Dato' Daud bin Ahmad

Group Chief Executive Officer and Non-Independent Executive Director

### Dato' Dr. Freezailah bin Che Yeom

Independent Non-Executive Director

### Encik Headir bin Mahfidz

Independent Non-Executive Director

### Encik Megat Abdul Munir bin Megat Abdullah Rafaie

Independent Non-Executive Director

### Datuk Abdul Malek bin Abdul Aziz

Independent Non-Executive Director

## COMPANY SECRETARIES

Chua Siew Chuan (MAICSA 0777689)  
SSM PC No. : 201908002648

Yeow Sze Min (MAICSA 7065735)  
SSM PC No. : 201908003120

## CORPORATE OFFICE

Unit 13A-09, Block A  
Phileo Damansara II  
No. 15, Jalan 16/11  
46350 Petaling Jaya  
Selangor Darul Ehsan  
Tel: 03-7660 6170  
Fax: 03-7660 6169  
Website: www.crbenv.com

## REGISTERED OFFICE

Level 7, Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
Damansara Heights  
50490 Kuala Lumpur  
Tel: 03-2084 9000  
Fax: 03-2094 9940

## AUDIT COMMITTEE

### Chairman

Dato' Dr. Freezailah bin Che Yeom

### Members

Encik Headir bin Mahfidz  
Encik Megat Abdul Munir bin  
Megat Abdullah Rafaie

## NOMINATION COMMITTEE

### Chairman

Dato' Dr. Freezailah bin Che Yeom

### Members

Encik Headir bin Mahfidz  
Encik Megat Abdul Munir bin  
Megat Abdullah Rafaie

## REMUNERATION COMMITTEE

### Chairman

Dato' Dr. Freezailah bin Che Yeom

### Members

Tan Sri Razali bin Ismail  
Datuk Abdul Malek bin Abdul Aziz

## RISK MANAGEMENT COMMITTEE

### Chairman

Datuk Abdul Malek bin Abdul Aziz

### Members

Encik Headir bin Mahfidz  
Encik Megat Abdul Munir bin  
Megat Abdullah Rafaie

## SHARE REGISTRAR

Securities Services (Holdings) Sdn Bhd  
[197701005827 (36869-T)]  
Level 7, Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
Damansara Heights  
50490 Kuala Lumpur  
Tel: 03-2084 9000  
Fax: 03-2094 9940

## AUDITORS

Baker Tilly Monteiro Heng PLT  
201906000600 (LLP0019411-LCA)  
Chartered Accountants (AF0117)  
Baker Tilly Tower  
Level 10, Tower 1, Avenue 5  
Bangsar South City  
59200 Kuala Lumpur  
Tel: 03 2297 1000  
Fax: 03 2282 9980

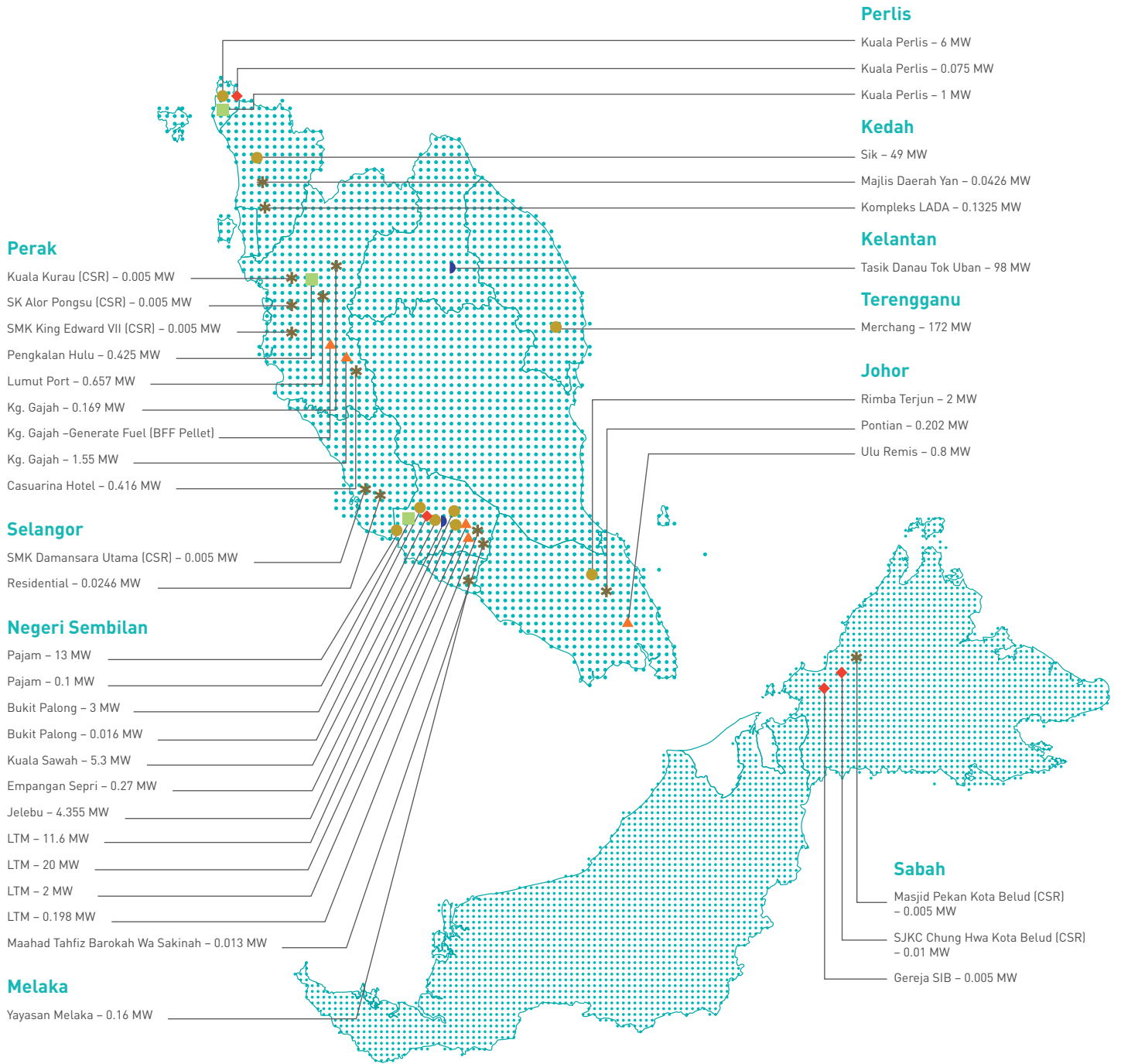
## PRINCIPAL BANKERS

- Malayan Banking Berhad  
[196001000142 (3813-K)]  
Menara Maybank  
100, Jalan Tun Perak  
50050 Kuala Lumpur  
Tel: 03-2070 8833

- OCBC Bank (Malaysia) Berhad  
[199401009721 (295400-W)]  
Menara OCBC  
18, Jalan Tun Perak  
50050 Kuala Lumpur  
Tel: 03-2034 5034
- Standard Chartered Saadiq Berhad  
[200801022118 (823437-K)]  
Menara Standard Chartered  
30, Jalan Sultan Ismail  
50250 Kuala Lumpur  
Tel: 03-2117 7726
- Kuwait Finance House  
(Malaysia) Berhad  
[200401033666 (672174-T)]  
Level 26, Menara Prestige  
No.1, Jalan Pinang, P.O. Box 10103  
50450 Kuala Lumpur  
Tel: 03-2168 0000
- RHB Islamic Bank Berhad  
[200501003283 (680329-V)]  
RHB Centre, Jalan Tun Razak  
50400 Kuala Lumpur  
Tel: 03-2780 7880
- Alliance Islamic Bank Berhad  
[200701018870 (776882-V)]  
Menara Multi-Purpose  
Capital Square  
8 Jalan Munshi Abdullah  
50100 Kuala Lumpur  
Tel: 03-2694 8800

## STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad  
(Main Market)  
Stock Name: CYPARK  
Stock Code: 5184



## Cypark RE Project List

- Ground Mounted
- Floating Solar
- Building Integrated PV
- Biogas/Biomass
- Roof Mounted
- Agriculture Integrated PV

**TOTAL**  
**392.55 MW (2022)**



# PROJECT HIGHLIGHTS



# 01

**GROUND MOUNTED  
SOLAR PLANT SIK,  
KEDAH (49 MW)**

# 02

**SOLID WASTE  
MODULAR  
ADVANCE  
RECOVERY AND  
TREATMENT  
WASTE-TO-  
ENERGY  
("SMART WTE")  
PLANT**





## PROJECT HIGHLIGHTS



# 03

FLOATING SOLAR,  
TASIK DANAU TOK  
UBAN, PASIR MAS,  
KELANTAN  
(98 MW)

# 04

BIOGAS POWER PLANT,  
KAMPUNG GAJAH, PERAK  
– BIOGAS POME (1.55 MW)



# 05

BIOMASS ENGINEERED  
FUEL PRODUCTION PLANT,  
KAMPUNG GAJAH



# AWARDS & ACCOLADES

We are delighted and proud of our numerous accomplishments over the years. These awards and accolades are a strong testament to our continuous pursuit of excellence across Cypark Resources Berhad.

Cypark 2021 Awards and Accolades:

1. Asian Power Awards 2021
  - Biomass Power Project of the Year – Silver Award
2. Asean Renewable Energy Project Awards 2021
  - Category: Biofuel – Winner
3. National Energy Awards 2021
  - Category 2: Renewable Energy (Biofuel) – Winner
4. BPAM Bond Market Awards 2021
  - ESG Top Traded Amount for year 2020



# INVESTOR RELATIONS AND KEY PERFORMANCE HIGHLIGHTS

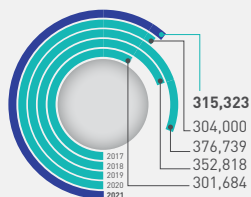
Cypark Resources Berhad enhances strong relations with existing and potential investors through constant proactive engagement and communications with financial analysts and investing stakeholders. Our investor relations team identifies investors' interests, issues and concerns, and develops best approaches and engagements in responding to the relevant interest and concern. The team, led by the Group Chief Executive Officer and Finance Director, is responsible to lead, drive and facilitate investor relations efforts and communications to ensure greater involvement with the investing community.

Cypark's investor relations engagement activities include presentations, meetings and site visits which allow access to our investing community for better understanding of the latest updates in the industry. Apart from that, Cypark's investor relations portal on the website is continuously updated by the team to highlight financial and stock reports, information on governance and the Group's commitment.

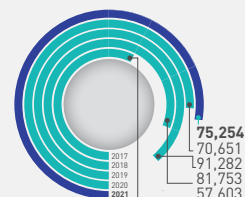
Financial Year	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000
Revenue (RM)	301,684	352,818	376,739	304,000	<b>315,323</b>
Net Profit (RM)	57,603	81,753	91,282	70,651	<b>75,254</b>
Net Assets (RM)	507,234	658,806	757,179	950,537	<b>1,190,534</b>
Basic Earnings Per Share (sen)*	15.00	19.94	19.82	14.94	<b>12.85</b>
Net Asset Per Share (RM)*	1.30	1.46	1.62	2.01	<b>2.09</b>

\* Figures from year 2017 and 2018 have been adjusted and presented for comparative purposes as a result of 2019's Bonus Issue.

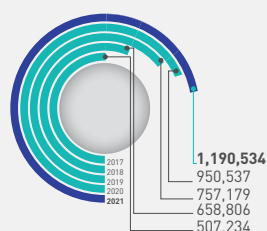
Revenue (RM'000)



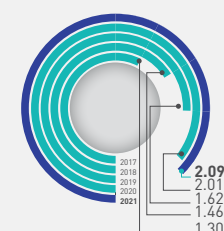
Net Profit (RM'000)



Net Assets (RM'000)



Net Assets Per Share (RM'000)





# MEDIA PRESENCE

### Projek Smart WTE siap 90 peratus

12 Mac 2021



**SEREMBAN** – Projek pembinaan lagi pemrosesan dan pemulihan sisa pepejal, Solid Waste Modular Advanced Recovery and Treatment (Smart) kepada tenaga (WTE) pertama di Malaysia yang dibina Cypark Resources Bhd di Ladang Tanah Merah di Port Dickson kini sudah siap 90 peratus.

Exco Kewaherajaan Bandar, Penanaman, Kerajaan Tempatan dan Kampung Baru Negeri Sembilan, Teo Kok Seng berkata, projek itu kini dalam proses akhir untuk disiapkan namun bertukar sedikit telat disebabkan pandemik Covid-19.

"Dalam menyuarai terakhir saya dengan Kementerian Perumahan dan Kerajaan Tempatan (BKPT) saya diarahkan projek itu sepatutnya dapat disiapkan dalam tempoh dua tahun ini.

"Tapi berikutan kelentaran kerana polka paku negara ini berikutan Covid-19, kutanya jadi Malibu, Pelancongan, Keluhan Pengangkutan, Negeri Sembilan Boleh, di sini pada Jumaat.

Kemudahan Smart WTE dijangka dapat beroperasi setiap hari dan berupaya menghasilkan 100 MW tenaga hijau yang mencukupi untuk rumah di sekitar lokasi.

Di mula bilina pada 2016 di atas tanah seluas 100 hektar dan melibatkan kos sebanyak RM300 juta.

Sementara itu, Teo Kok Seng berkata, anjakan dituntut baik dan kemerosotan akibat cuaca bagi membuat kenderaan kepada masyarakat.

Katanya, penting untuk masyarakat mengemang pembangunan pembuangan sisa di sini yang berterusan.

### Cypark launches Southeast Asia's largest floating solar plant

10 Apr 2021



**PETALING JAYA** – Cypark Resources Bhd through its partly owned indirectly subsidiary, Cypark Estuary Solar Sdn Bhd and Cove Suria Sdn Bhd together with its co-partner, Kelantan Utilities Mubaraikan Holdings Sdn Bhd has launched the country's largest floating solar plant (FSP) in Cypark, Teluk Limas, Kelantan.

The plant is currently set for commercial operation by December 2021.

### Cypark Resources proposes placement of up to 20% of its shares

**KUALA LUMPUR (June 16):** Cypark Resources Bhd has proposed to undertake a private placement of up to 105 million new ordinary shares, representing up to 20% of the total number of issued share in the company. In a bourse filing, Cypark

### Cypark granted 1.100MW biogas quota from SEDA

By Farah Adilla - March 26, 2021 @ 8:01pm



**KUALA LUMPUR:** Cypark Resources Bhd wholly owned subsidiary Reviva Sdn Bhd, has been granted a total of 60MW large-scale biogas quota in Southeast Asia and together will generate 44,480 households and great opportunity to ensure that this project will set a future especially with the green economic blueprint of

### SMART WTE dijangka sumbang pendapatan RM80 juta setahun - Cypark

September 30, 2021



**KUALA LUMPUR:** Cypark Resources Bhd (Cypark) menjangkakan kilang Pemulihan dan Rawatan Lanjutan Modular Sisa Pepejal (SMART) bagi sisa pepejal-korporat-tenaga (WTE) di Ladang Tanah Merah, Negeri Sembilan akan memberi sumbangan pendapatan sehingga RM80 juta setahun selepas beroperasi.

Ketua Pegawai Eksekutif Kumpulan Cypark, Datuk Daud Ahmad, berkata bahagian RE kumpulan itu secara aktif memperolehi projek WTE memandangkan kilang SMART WTE pertamanya akan siap dibina, selain memanfaatkan kepakarannya dalam teknologi

### Cypark to build and operate IUUM's solar PV system

June 28, 2021



**KUALA LUMPUR (June 28):** Cypark Resources Bhd said it has been appointed by International Islamic University Malaysia (IIUM) to construct and operate its solar photovoltaic (PV) system.

"This will be the largest solar photovoltaic system ever built for an educational institution in Malaysia at 6.25MWp, paired with innovative technology whereby the solar panels are not only built on rooftops but also on the ground.

The project is under net energy metering (NEM) consideration for the works performed. The stipulated completion date is by the end of 2021.

Cypark's share price settled two days at RM447.23 million.

S Kinagaraju

### MAYBANK IB STARTS CYPARK COVERAGE

Research firm places 'buy' rating with RM1.35 target price

**KUALA LUMPUR**

CYPARK Resources Bhd's near-term growth will be derived from its renewable energy (RE) and waste-to-energy (WTE) segments, said Maybank Investment Bank (MIB).

The bank-backed research firm said it expected Cypark's pre-tax profit from the sale of electricity and deferred turnkey payment to grow by a three-year compound annual growth rate (CAGR) of 17 per cent to RM42 million by its financial year 2023, and contribute 37 per cent to the company's pre-tax profit.

Cypark's waste management and WTE segments are also expected to contribute RM44 million, or 10 per cent, to its pre-tax profit.

"We expect its net profit to grow by a three-year (financial years 2020 to 2023) CAGR of 18 per cent," it said.

Cypark owns, operates and manages 18 domestic solar farms with a total installed capacity of 40 megawatts (MW).

Maybank IB said upon completion of its large-scale solar 2 (LSS2) and LSS3 projects, Cypark would manage and operate a combined solar capacity of 230MW by next year.

Cypark is also developing the first WTE plant in Ladang Tanah Merah, Negeri Sembilan.

Maybank IB said the plant was pending testing and commissioning stage by foreign specialists.

The plant is scheduled for commercial operation by December.

"In addition, Cypark is tendering for two WTE projects in Johor and Melaka, which, if successful, would provide potential upside to its earnings," it added.

Maybank IB has initiated coverage on Cypark with a "buy" rating and target price of RM1.35.

### RE, WTE segments to drive Cypark's near-term growth

by NURUL SUHAILA

**CYPARK Resources Bhd's** pre-tax profit from sale of electricity and deferred turnkey payment is expected to grow by a three-year compound annual growth rate (CAGR) of 17%, to RM42 million by the financial year 2023 (FY23E), contributing 27% of the group's pre-tax profit.

Maybank Investment Bank Bhd (Maybank IB) analyst Nur Farah Syifaa' Mohamad Fu'ad said Cypark's near term growth would be derived from the renewable energy (RE) and waste-to-energy (WTE) segments.

"Its waste management and WTE segment is expected to contribute RM14 million, which is 10% of the group's pre-tax profit.

"We expect its net profit to grow by a three-year (FY20-FY23E) CAGR of 18%," Nur Farah Syifaa' wrote in a research report recently.

Apart from solar, Cypark is expected to kick start its first WTE plant in FY22 through developing the 1st WTE plant in Ladang Tanah Merah, Negeri Sembilan.

The plant is currently set for commercial operation by December 2021, delayed from July 2021.

Nur Farah Syifaa' also noted that

on sustainable orderbook value of RM200 million.

"Its profit margins remain attractive, sustaining above 20%. Cypark currently trades at 8.8 times FY21E P/E, a steep discount compared to its solar peers that are trading at 17.5 times P/E."

### Cypark proposes private placement

**PETALING JAYA:** Cypark Resources Bhd has proposed to undertake a private placement to raise up to RM108.2m to strengthen its renewable energy (RE) business.

In its exchange filing, Cypark said the proposed private placement would involve up to 105 million new ordinary shares, representing up to 20% of the total number of issued shares in the company at a price that would be determined and announced later.

It said based on the illustrative issue price of RM1.03 per placement share, the proposed private placement is expected to raise gross proceeds of up to RM108.2m.

The funds raised would be used to further expand the company's competitive advantage and increase its foothold as a contributor to the government initiatives to increase RE production.

"The proceeds will be used to complete the construction of the solar photovoltaic energy generating facility with 173-megawatt-peak (MWp) large scale solar three project in Marang, Terengganu," Cypark said.

It said upon completion of the facility, as well as the company's 25MW waste-to-energy plant in Tanah Merah, Negeri Sembilan, Cypark would increase its ownership of RE assets capacity to 245MWp from the current operating capacity of 47MWp.

Cypark said in addition to its own assets, the company would be operating a total of 150MWp solar assets, including the 100MWp floating solar by the middle of 2021 under its engineering, procurement and construction plus operation and management long-term contract.

It added that in total, Cypark is expected to have secured capacity of solar assets built, owned or operated by the company of over 395MWp by the financial year ending Oct 31, 2022.

RM1.03 at close of trading last week, valuing the company for RM519 million.

### RE, WTE segments to drive Cypark's near-term growth

by NURUL SUHAILA

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# CHAIRMAN'S STATEMENT



## Dear Stakeholders,

The year 2021 has been another tumultuous year and one of the most challenging years which has significantly affected everyone on the sense of normalcy. However, amidst this dark and gloomy year, there were some positive news as the Company has recorded a better performance for the financial year ended (“FYE”) 31 October 2021 (FYE 2021) despite the continuous challenges posed by the COVID-19 pandemic.

## TAN SRI RAZALI ISMAIL

*Executive Chairman  
Non-Independent Executive Director*

Despite facing the unprecedented event, we continue to scour the market for other solar, WTE, biomass and biogas opportunities and we are proud that we have managed to secure a project in June 2021 to design, engineer, procure, construct, commission (“EPCC”) and then operate and maintain the solar photovoltaic system (Project) for IIUM in Kuantan, Pahang which is under Net Energy Metering Scheme (“NEM”) 3.0, which will be one of the largest solar photovoltaic system ever built for an educational institution in Malaysia. This project is expected to be completed in June 2023 with a contract period of 21 years on the Net Electrical Output.

## CHAIRMAN’S STATEMENT

The COVID-19 pandemic has continued to affect businesses globally in FYE 2021 and just like everyone, Cypark’s business is not spared albeit the impact is still manageable. The Movement Control Order (“MCO”) which was implemented in various phases has resulted in disruptions to our on going projects, in particular, travelling restrictions, strict standard operating procedures and labour shortage. This situation has further encouraged our teams to be more proactive in using innovative solutions to enhance productivity and continue working within the restrictions. When the Government introduced the National Recovery Plan (“NRP”) in June 2021 as a phased strategy to transition out from the MCO on the reopening of economic and social sectors, the timing could not have been more perfect for Cypark. Correspondingly, we have embarked in ramping up the construction work at the sites which have contributed to improvements in project completion.

The advent of COVID-19 in year 2020 has brought about revolutionary changes on how we see our future, our businesses and how to recover accordingly from the pandemic. The formulation of the Twelfth Malaysia Plan, 2021 – 2025 (Twelfth Plan) in conjunction with the NRP is anchored on three key themes, namely resetting the economy, strengthening security, wellbeing and inclusivity as well as advancing sustainability. The development priorities of the Twelfth Plan will continue to be aligned to the Sustainable Development Goals (“SDGs”) of the 2030 Agenda for Sustainable Development. According to the Twelfth Plan, most economic sectors have been practicing linear economy which applies unsustainable consumption and production practices, hence generating high volumes of waste. Generally, Malaysians generated about 38,150 tonnes of waste per day in 2018, compared to 36,500 tonnes per day in 2015. This is equivalent to approximately 1.17 kilogram per capita per day, much higher than the global average of 0.74 kilogram. Furthermore, clinical waste, particularly face masks, and household waste, mostly from food packaging have definitely contributed to the increase of waste due to the COVID-19 pandemic.

The COVID-19 pandemic has also thrust the concept of Environmental, Social and Governance (“ESG”) into the spotlight as companies worldwide realise the need to adopt more sustainable practices to avoid financial and environmental risks in the long run. As such, the ESG considerations are increasingly being integrated into decision-making by financial institutions, institutional investors and other investors. In Malaysia, there is growing acceptance and acknowledgement by industry leaders of the need for stronger ESG adoption. The Employees Provident Fund recently launched its sustainable investment policy and announced its intention to have a fully ESG-compliant portfolio by 2030. Bursa Malaysia Securities Berhad has also strengthened its efforts to bring public listed companies on the ESG journey. For Cypark, the focus on ESG has always been a part of our business practices for the past 20 years. We are passionate about renewable energy (“RE”) first and foremost and we are fascinated to contribute and be part of Malaysia’s efforts towards making the world sustainable.

Globally, it appears that RE is fast becoming the preferred source of new power generation. According to data from International Renewable Energy Agency (“IRENA”) via its Renewable Capacity Statistics 2021 report, despite the COVID-19 induced economic slowdown, the world added more than 260 GW of renewables last year, exceeding the expansion in 2019 by close to 50%. Solar and wind in particular have shown remarkable growth globally. In Malaysia, the Ministry of Energy and Natural Resources has shared that Malaysia has the target to achieve 31% of RE in its installed capacity by 2025 and 40% by 2035. With the impending completion of our Large Scale Solar 2 (“LSS2”) and LSS3 projects, I expect RE projects, in particular solar, will remain as the major contributor to our revenue and profit in year 2022. Our expertise under the whole RE business value chain inherently provides a competitive edge to Cypark, coupled with our expertise in solar, WTE, biogas and biomass business.



**Group Revenue**  
**RM315.3**  
million



**Group Profit Before Tax**  
**RM96.6**  
million



**Group Total Assets**  
**RM2.7**  
billion



**Net Asset**  
**RM2.09**  
Per Share



## CHAIRMAN'S STATEMENT



Our 49 MW LSS2 PV project in Sik, Kedah successfully achieved its COD on 1 January 2022.

On this note, I would be glad to share that some of our larger solar photovoltaic (“PV”) projects have been recently completed as well as nearing completion following the end of the financial year. For instance, the 49 MW LSS2 PV project in Sik, Kedah had successfully achieved its Commercial Operation Date (“COD”) on 1 January 2022, ahead of approved COD date by our client. Our other solar PV projects, namely the 98 MW LSS2 floating solar project in Danau Tok Uban, Kelantan and the 172 MW LSS3 project in Merchang, Terengganu are both targeted to be completed and to be in operation in year 2022. Furthermore, our biogas plant in Kg Gajah, Perak has also successfully achieved its COD on 31 December 2021. This plant is also considered as one of its kind in the palm oil industry where it integrates the usage of biogas and biomass that led to the company being awarded in the National Energy Awards (“NEA”) 2021. Looking ahead, we have plans to incorporate solar system into the plant in year 2022 under the NEM initiative. The holistic approach innovated by Cypark will make both the products sold (biomass solid fuel and biogas from palm oil waste) and the production process using solar energy to be environmentally sustainable, hence promoting true circular economy.

In addition, it is worth noting that one of our prominent projects, the SMART waste-to-energy (“WTE”) project in Ladang Tanah Merah, Negeri Sembilan is also expected to reach its completion and operation stage soon in 2022. This will elevate Cypark to another stage of its competitiveness as it will be the first and distinctive such plant in Malaysia. This integration of advance waste treatment and recovery facilities together with WTE plant is the first of its kind in this region and it is expected to contribute circa RM80 million per annum in revenue. All in all, it has been a favorable year for Cypark and I am confident that the Company will continue to deliver our commitments to all stakeholders.

We hope to see better days ahead as we step into year 2022.

## ACKNOWLEDGEMENTS

On behalf of the Board of Directors, I wish to express my sincerest appreciation to Cypark’s management team and employees for their continuous and vigilant endeavours and exemplary involvement in the year 2021. This is especially true as the team has demonstrated their unwavering commitment to deliver tangible project progress despite the setbacks and challenges posed by the pandemic and the resulting MCO. I would like to also convey my highest gratitude to Cypark’s dedicated Senior Management for their commitment and excellent execution of strategic plans in ensuring the Company’s business stability and sustainability in the years to come.

Likewise, we are pleased to recognise our shareholders for their unrelenting confidence as well as our bankers and business partners for their steadfast patronage and support. Last but not least, I would like to enunciate deepest appreciation to my fellow Board members for their wise counsel and keen involvement in the various Board Committees in 2021. Nevertheless, let’s stay vigilant and mitigate the spread of the COVID-19 outbreak whilst seeking to soar to greater heights in year 2022.

Thank you for your continuous support and interest in Cypark. Please stay safe and stay healthy.

**TAN SRI RAZALI ISMAIL**  
Chairman

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## COMPANY OVERVIEW AND STRATEGY

The FYE 2021 has continued in about similar vein as in the previous year and the impact of the disruption from the COVID-19 pandemic is reflected in Malaysia's Gross Domestic Product ("GDP") contracting by 4.5% year-on-year ("YoY") in the third quarter ("Q3") of 2021, due to the strict containment measures implemented to stem the surge in new COVID-19 cases. Against this backdrop, Cypark has had to navigate its ways around the said disruptions to ensure business sustainability and uphold its ability to deliver desirable results. It is therefore, commendable that despite these challenges, Cypark has managed to record a 3.7% increase in revenue together with a corresponding 6.5% in profit after tax.

According to the Government, various key economic indicators point to strong recovery momentum towards the Q4, 2021 and into 2022. With the recovery momentum seen during Q3, 2021, Malaysia's GDP is on track to achieve growth of between 3% and 4% in 2021, and further expand between 5.5% and 6.5% in 2022, in line with projections by the IMF and World Bank at 6.0% and 5.8%, respectively. Cypark is poised to capitalise on this recovery momentum amidst constant support in terms of attractive policies on RE and green energy globally, as well as from the Government. From that perspective, our value propositions and competitive advantage as the pioneering developer in RE remain as formidable as ever as we head into FYE 2022.

## OUR PERFORMANCE

Over the past year, Cypark has proven its resilience in coping with the disruptions caused by the pandemic. In FYE 2021, all of our business segments remain productive and profitable. Through proactive measures taken by the management during the MCO, we have managed to increase the percentage of completion of our LSS projects especially for our 49 MW LSS2 project in Sik, Kedah.

Despite the challenges posed by the COVID-19 pandemic and related restrictions, we are lining up a few more key projects for completion in FYE 2022 – (1) the 172 MW LSS3 project in Merchang, Terengganu, (2) the 98 MW LSS2 floating solar project in Danau Tok Uban, Kelantan, both of which are scheduled to complete in 2022, and (3) Malaysia's first WTE plant in Ladang Tanah Merah, Negeri Sembilan, which is scheduled to produce renewable energy from waste in 2022. Similarly, our biogas and biomass plant in Kg Gajah which utilises discharge from the Palm Oil Industry, mainly the Palm Oil Mill Effluent ("POME") and Biomass Engineered Fuel ("BEF") has just begun generating income from renewable energy and simultaneously contributes to the country's aspiration in reducing carbon emission arising from agriculture sector. Accordingly, these projects will contribute significantly to our revenue from FYE 2022 onwards.



*Solid Recovered Facilities in Kampung Gajah, Perak*



## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Key Performance Highlights

Group Highlights	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000
Revenue	301,684	352,818	376,739	304,000	<b>315,323</b>
Profit Before Tax	69,590	100,393	118,583	96,621	<b>96,635</b>
EBITDA/Adjusted EBITDA	97,566	124,226	147,907	149,332	<b>141,932</b>
Finance Costs	11,795	10,504	12,046	12,300	<b>4,398</b>
Net Profit	57,603	81,753	91,282	70,651	<b>75,254</b>
Total Equity	507,234	658,806	757,179	950,537	<b>1,190,534</b>
Total Assets	1,316,705	1,528,466	2,175,434	2,374,502	<b>2,749,806</b>
Borrowings	567,671	609,088	1,173,413	1,219,074	<b>1,356,458</b>
Net Debt/Equity (%)	91%	79%	86%	90%	<b>89%</b>
Basic Earnings Per Share (sen)*	15.00	19.94	19.82	14.94	<b>12.85</b>
Net Asset Per Share*	1.30	1.46	1.62	2.01	<b>2.09</b>

\* Figures from year 2017 to 2018 have been adjusted and presented for comparative purposes as a result of Bonus Issue in 2019.

The Group's revenue for the FYE 2021 was registered at RM315.3 million as compared to RM304.0 million in the financial year ended 2020 ("FYE 2020"), representing an increase of RM11.3 million or 3.7%. This was mainly contributed by continuous work progress from the LSS projects and specialist and consultancy works performed in the current financial year. The adjusted earnings before interest, taxes, depreciation and amortisation ("EBITDA") of the Group for the FYE 2021 showed a decrease of RM7.4 million or 5.0% to RM141.9 million as compared to RM149.3 million in FYE 2020. This was mainly due to the additional costs incurred for the projects affected by the pandemic and the multiple MCO implemented during current financial year. Nevertheless, the Group still achieved a commendable profit after tax ("PAT") for the current year. The PAT was recorded at RM75.3 million, representing an increase of RM4.6 million or 6.5% as compared to RM70.7 million recorded in FYE 2020. This was mainly due to the savings achieved in finance costs and lower tax expenses recognised in current year as compared to previous financial year.

In the FYE 2021, Cypark achieved another historical milestone as we were accorded the ESG Top Traded Amount for the year ended 31 December 2020 (RM505 million traded amount) by the Bond Pricing Agency Malaysia ("BPAM") at the BPAM Bond Market Awards 2021. The award was based on the issuance of the sustainable and responsible investment ("SRI") Sukuk Murabahah programme of RM550 million to finance our LSS2 projects comprising the 49 MW solar PV project in Sik, Kedah and the 98 MW floating solar PV project in Danau Tok Uban, Kelantan. Aligned with our commitment towards becoming more ESG-focused, we believe this Sukuk programme would improve SRI awareness and support the government's initiatives in involving the local fixed income investors to participate actively in these types of bonds in the long run.

### ASSETS AND LIABILITIES

As of 31 October 2021, the Group's total assets increased by 15.8% to RM2.750 billion as compared to RM2.374 billion in FYE 2020. The increase in total assets was mainly due to the following:

1. Increase in contract assets from the construction progress of the three solar plants of 49 MW each which was awarded under LSS2 scheme. The contract assets are secured by a formal assignment to the Group of all solar energy sales proceeds collectable from Tenaga Nasional Berhad ("TNB").
2. Increase in construction progress of the LSS3 solar plant of 172 MW located at Mukim Merchang which was awarded under LSS3.
3. Increase in construction progress of the integrated WTE plant located in Ladang Tanah Merah for its final testing and commission phase.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Meanwhile, the total liabilities rose by RM135 million or 9.5% from RM1.424 billion in FYE 2020 to RM1.559 billion in FYE 2021. This was contributed by the increases in the trade payables and drawdown of project term loan for LSS3 project located at Mukim Merchang, and these increases were in line with the increase reflected in plant and equipment which was due to the increase in construction progress of the LSS3 solar plant as mentioned above.

### Equity

#### i. Share Capital

During the FYE 2021, the share capital of the Company increased from RM409.5 million to RM496.9 million, with the issuance of new shares of 97,804,400 unit during the year, which was from 480,257,053 units of ordinary shares to 578,061,453 unit of ordinary shares. The new shares were issued via:

- a. The issuance of 11,204,400 new shares at an exercise price of RM0.595 per share, pursuant to the exercise of options under the existing Employees' Share Option Scheme; and
- b. The issuance of 86,600,000 new shares through the private placement exercise of up to 104,998,290 new ordinary shares (up to 20% of the total number of issued share of the Company) of which the exercise was approved by Bursa Securities on 18 June 2021. The details of the issuance of new shares are as per below:
  - a. Tranche 1 – 20,000,000 units new shares were issued at RM0.90 per share and listed on Bursa Securities on 11 August 2021;
  - b. Tranche 2 – 50,600,000 units new shares were issued at RM0.92 per share and listed on Bursa Securities on 22 September 2021; and
  - c. Tranche 3 – 16,000,000 units new shares were issued at RM0.95 per share and listed on Bursa Securities on 29 October 2021.

#### ii. Employees' Share Option Scheme ("ESOS")

On 19 January 2021, the Company granted new ESOS of 8,950,000 units at an exercise price of RM1.16 per share.

#### iii. Perpetual Sukuk

A wholly-owned subsidiary of the Company, namely Cypark Renewable Energy Sdn. Bhd. ("CRE") continues to issue Tranche 1 – Series 3 amounting to RM30.25 million of unrated perpetual Islamic medium term notes (Perpetual Sukuk Musharakah) of up to RM500.00 million in nominal value based on the Shariah principle of Musharakah (Perpetual Sukuk Musharakah Programme) on 19 November 2020. Subsequently, CRE issued Tranche 1 – Series 4 amounting to RM15.40 million, Tranche 1 – Series 5 amounting to RM30.10 million and Tranche 1 – Series 6 amounting to RM8.00 million on 30 December 2020, 22 February 2021 and 12 April 2021 respectively. Before the end of the financial year, CRE has issued Tranche 1 – Series 7 amounting to RM6.50 million on 5 October 2021.

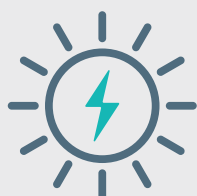
The Perpetual Sukuk Musharakah raised in CRE is classified as an equity instrument as there is no contractual obligation to redeem the instrument.



In the FYE 2021, Cypark achieved another historical milestone as we were accorded the ESG Top Traded Amount for the year ended 31 December 2020 (MYR505 million traded amount) by the Bond Pricing Agency Malaysia ("BPAM") at the BPAM Bond Market Awards 2021.



## MANAGEMENT'S DISCUSSION AND ANALYSIS



By FYE 2022, with the targeted completion of 172 MW LSS3 project in Terengganu, 147 MW LSS project in Kedah and Kelantan and the 20 MW SMART WTE Plant in Negeri Sembilan, together with other RE assets under our stable, Cypark will increase its operation of RE asset capacity to more than 400 MW.

### Dividend

During the FYE 2021, no dividend has been paid, proposed or declared by the Company since the end of the previous financial year.

Due to the unprecedented pandemic in Malaysia and the imposition of various MCO by Government of Malaysia to curb the spread of COVID-19 during the year under review, the full economic recovery is still unknown and slow. Despite the fact that the Group is allowed to operate under strict SOP, the Group is still experiencing the impacts from MCO in terms of amongst others, unavoidable project delays, supply chain disruption and shortage of labours. In this regard, it is essential for the Group to conserve funds for the future in this challenging and uncertain business environment as well as to maintain a strong buffer against any potential shocks. After due and thorough consideration, the Board has made a difficult decision on not recommending the payment of any dividend for FYE 2021. However, the Board will recommend the payment of dividends once the Board deems the Group to be in a comfortable position to distribute dividends.

	2017	2018	2019	2020	2021
Net Profit (RM'000)	57,603	81,753	91,282	70,651	<b>75,254</b>
Total Dividend Paid (RM'000)	14,831	17,873	-	-	-
Dividend Per Share (sen)	5.60	3.90	-	-	-
Dividend/Net Profit %	26	25	-	-	-
Payment Date	28.6.18	28.6.19	-	-	-

\* Calculated based on Net Profit figure before restatement

### Outlook and Prospects

Having surpassed the performance of FYE 2020 despite a challenging year in 2021, Cypark is geared to soar to greater heights. Backed by continuous cost optimisation, increased productivity and efficiency in allocating our resources, we believe that FYE 2022 will bring about further enhancement in financial performance.

At national level, the Government's commitments towards the 2012 Paris Agreement targets remain intact. In fact, our country has shown determination to boost usage of RE as the previous target of 20% RE adoption by 2025 has been revised to 31%. This is admirable as there is no greater incentive to RE players like Cypark to contribute towards acceleration of Malaysia's adoption of green energy, including in solar energy. With the increase in the RE adoption target, we expect sizeable solar quota to be offered by Suruhanjaya Tenaga through LSS5 tender and beyond in which Cypark will participate accordingly. As such, we are looking optimistically at 2022 together with the impending completion of our currently secured RE and WTE projects.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

At present, Cypark operates, owns, and/or manages approximately 96 MWp of RE assets. By FYE 2022, with the targeted completion of 172 MWp LSS3 project in Terengganu, 147 MWp LSS2 project in Kedah and Kelantan and the 20 MW SMART WTE Plant in Negeri Sembilan in 2022 together with other RE assets under our stable, Cypark will increase its operation of RE asset capacity to about 400 MW, strengthening our position as the RE market leader in Malaysia. Subsequent to FYE 2021, the 49 MW LSS2 project in Sik, Kedah had successfully achieved COD on 1 January 2022. Correspondingly, we expect Cypark's future RE revenue in 2022 to grow significantly from our WTE, floating solar, ground mounted solar and biogas projects.

Under the Twelfth Plan, as the Government focuses on green economy, recycling of waste and implementing circular economy towards a more sustainable future for Malaysians, we believe that there is big potential for growth in WTE. In this respect, the continuous effort of the Government under the Ministry of Housing and Local Government in inculcating greener way for waste management could result in more WTE plants being built in the future. Out of the 5 potential new WTE tenders that were highlighted, Cypark has participated in 2 WTE tenders in Johor and Malacca in collaboration with Johor and Malacca state-owned companies. Moving forward, we believe our outstanding track record in designing, constructing, owning, and operating the country's first WTE plant in Ladang Tanah Merah, Negeri Sembilan could stand us in good stead to win more WTE projects in the future. We expect future WTE plant capacity to be between 15 MW and 25 MW with an expected investment value of around RM500 million each.

Cypark also looks into ways to expand our reach in RE, both locally and internationally, through collaboration with renowned leaders in their respective fields. To this end, we have entered into a Memorandum of Understanding ("MOU") with Huawei Technologies (Malaysia) Sdn Bhd (Huawei) on 3 December 2021 to collaborate for the purposes of a long-term cooperation for a total of 500 MW RE projects in and outside Malaysia. In this arrangement, Huawei will act as the technology enabler and it will undertake to provide the technical and after-sales support for all products and solutions. Meanwhile, Cypark would be the user and installer of the said products and solutions, subject to agreement of both parties and the terms and conditions of the collaboration. The MOU is in effect from the date of signing and will remain effective for a period of two (2) years until the execution of the set of definitive agreements between the parties or such other period as may be mutually agreed upon in writing. In line with Malaysia's goal of becoming a carbon neutral nation by 2050, Huawei will leverage on its extensive experience in power electronics and energy storage, as well as on its technical expertise to provide a digital powered solution for different industries, including RE.

This MOU not only signifies our intention to grow beyond our shores, but it also proves our desire to have innovation and digitalisation embedded into our RE project offerings. In addition to this partnership, together with our proven competitive advantage and project delivery track record, we are optimistic about our chances to secure overseas contracts in the near future.

In addition, the Ministry of Energy and Natural Resources ("KETSA") had taken the initiative to announce on 22 October 2021 that the Government will be releasing an additional quota of 300 MW of solar energy under the NEM 3.0 programme. Such additional quota which was released on 15 November 2021 is expected to open up more opportunities for the Company to offer rooftop solar solutions to non-domestic consumers in the commercial, industrial, mining and agriculture industries.



We have entered into a MOU with Huawei on 3 December 2021 to collaborate for the purposes of a long-term cooperation on a total of 500 MW RE projects in and outside Malaysia.



## MANAGEMENT'S DISCUSSION AND ANALYSIS



We have confidence in the measures adopted by the Government in combating pandemic risks. We also remain vigilant in terms of operations at our project sites to minimise disruptions and ensure that our project delivery timelines remain intact.

### KNOWN TRENDS AND EVENTS

The Government has announced Malaysia's commitment to be a net zero greenhouse gas ("GHG") emission nation as early as 2050. Under the recent global climate summit of COP26, which was concluded on 13 November 2021, 197 countries agreed to cut emissions to keep within reach of the global warming limit of 1.5 degrees centigrade above pre-industrial level, phase down coal and accelerate efforts on the phase out of inefficient fossil fuel subsidies. Addressing climate change is now a major part of the broader ESG and sustainability agenda for the corporate sector. Moving forward, companies that fail to incorporate sustainability elements in their business could face difficulties in obtaining both equity and debt financing, and may have to pay higher insurance premium for their projects or face complications in hiring the right human capital talents necessary to drive their business. For Cypark, the case for sustainability is inherently embedded within our business in renewable energy. To demonstrate our commitment further, we are also embarking on our ESG journey by engaging consultants to advise us on enhancing our ESG-related characteristics and profiling.

### BUSINESS RISKS

There are still risks and uncertainties caused by the development of new COVID-19 variants. The eventual impact to businesses and lives can only be assessed once the situation stabilises. Nevertheless, we have confidence in the measures adopted by the Government in combating such risks. We also remain vigilant in terms of operations at our project sites to minimise disruptions and ensure that our project delivery timelines remain intact.

The Board is overseeing the matters of risk through the Risk Management Committee that is supported by the Audit Committee and a team of external and internal auditors. Details on the Group's risk management are disclosed in the Statement of Risk Management and Internal Control ("SORMIC") provided in this annual report.



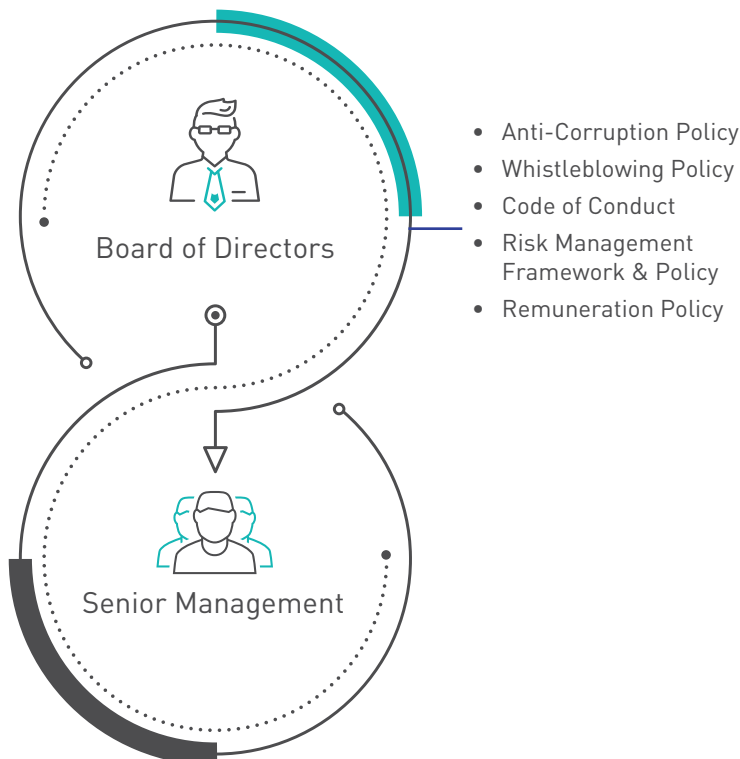
Boiler Island of SMART WTE Plant in Ladang Tanah Merah, Negeri Sembilan

# SUSTAINABILITY STATEMENT

As a pioneering developer and provider of green energy solutions, we are committed to harness sustainable innovation through our RE projects in order to contribute into provision of better quality living environments in the future. “Energising A Sustainable Future” is not merely a tagline or slogan. We have embarked on this sustainability journey since 2010.

Aligning with the Government’s focus towards ESG, the Group continues to carry and expand its business operations in a sustainable and responsible manner. The Group focuses on sustainability principles when formulating and implementing business strategies, decision making and operational execution to achieve its goals. Through this Sustainability Statement, the Group provides its stakeholders a better understanding of its strategic approach to create sustainable long-term value for the Group as well as our stakeholders.

## GOVERNANCE STRUCTURE



The initiation, drafting, and overview of the Sustainable Policy are under the purview and guidance of the Board of Directors, which consists of eminent persons that are highly experienced in multi-disciplinary fields. Any initiative, including sustainability-related plans and strategies from the Board of Directors will be executed and supported by the Senior Management. The Senior Management is also responsible in updating the Board on the effectiveness of sustainability-related programs and initiatives undertaken throughout the year to ensure there is a successful integration for financial goals, business strategy and business model with the environmental and social sustainability considerations.

## SCOPE OF THIS STATEMENT

The Statement covers the sustainability efforts and performances within the activities of the Group and all its subsidiaries involved in its principle business of renewable energy, construction & engineering, green technology and environmental services, waste-to-energy (“WTE”) and waste management. The information disclosed in this Statement are for activities carried out between 1 November 2020 to 31 October 2021, unless otherwise specified.

## BASIS OF STATEMENT

This Statement was prepared in accordance with the relevant paragraphs of the Main Market Listing Requirements relating to Sustainability Statements. As Cypark acknowledges the importance of ESG impacts on our business strategy, financial performance and operations, we will continue to enhance the disclosure of our sustainability performance moving forward.

## MATERIALITY

The materiality in relation to the sustainability of the Group’s business has been determined from our experience in dealing with sustainability matters in executing our projects, as well as the analysis of the Group’s internal documents and internal processes. The Group reviews sustainability related risk periodically as part of its risk assessment to ensure it continues to address its key sustainability concerns.

## SUSTAINABILITY STATEMENT



*Courtesy visit by Employee Provident Fund (“EPF”)’s delegation led by the Chief Executive Officer of EPF, Datuk Seri Amir Hamzah Azizan to Cypark Resources Berhad’s HQ on 20 April 2021*

### FEEDBACK

We welcome our stakeholders’ feedback and concerns in our efforts to improve the sustainability measures and reporting standards. You may direct your feedback, enquiries or details to [ir@crbenv.com](mailto:ir@crbenv.com)

### OUR COMMITMENT TO SUSTAINABILITY

We are committed in ensuring business sustainability and strive to responsibly manage natural resources in contributing holistically to the wellbeing of the society. Cypark continually produces products and services that are not only profitable but also economically and environmentally sustainable.

### STAKEHOLDERS ENGAGEMENT

As part of its sustainability process, specifically in determining vital matters that are crucial for the Group and the environment, Cypark continues to actively engage various stakeholders as our business involves environmental-related activities. Thus, our stakeholders are not limited to authorities, clients, employees and shareholders, but extend to communities as well.







The Group has always worked closely with various stakeholders, which allows Cypark to fully comprehend and complement various stakeholder expectations and requirements and enables us to better manage matters pertaining to sustainability and materiality. Hence, this directly improves our business operations and standing.



*Courtesy visit by Lembaga Tabung Haji’s Investment Team to SMART WTE at Ladang Tanah Merah on 20 May 2021*

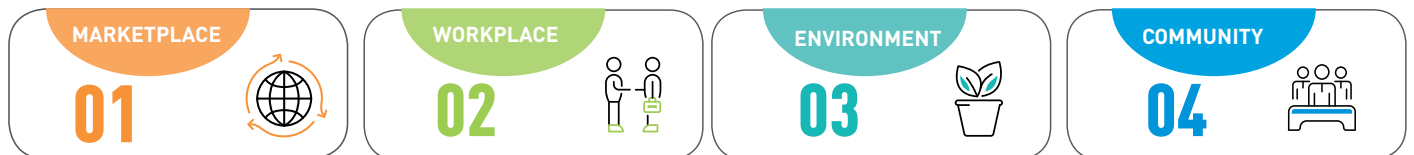


# SUSTAINABILITY STATEMENT

Stakeholder	FYE 2021 Constructive Engagement	Results/Outcomes
 <b>Employees</b>	<ul style="list-style-type: none"> <li>• Corporate events</li> <li>• Meetings and gatherings</li> <li>• Trade events</li> <li>• Employee training</li> </ul>	<ul style="list-style-type: none"> <li>• Improves long-term technical and soft skills abilities of the Cypark community</li> <li>• Strengthens the human capital sense of teamwork, camaraderie, and long term efficiency</li> <li>• Strengthens the Malaysian spirit of togetherness</li> </ul>
 <b>Investors/ Shareholders</b>	<ul style="list-style-type: none"> <li>• One-on-one engagement</li> <li>• Company announcement</li> <li>• Financial results announcements</li> <li>• Circulars</li> <li>• Annual General Meetings (“AGM”)</li> <li>• Quarterly Analyst Briefing</li> <li>• Participation in Investor Relations events</li> </ul>	<ul style="list-style-type: none"> <li>• Being responsive and considerate of investors feedback and clarification</li> <li>• Improves the investor’s perception and understanding of Cypark’s existing and future business plans</li> <li>• Meeting or exceeding investor’s expected targeted return</li> </ul>
 <b>Government</b>	<ul style="list-style-type: none"> <li>• Meetings, dialogue sessions and briefings</li> <li>• Official visits</li> <li>• Outreach programmes</li> <li>• Participation in ministry events, sponsored events</li> </ul>	<ul style="list-style-type: none"> <li>• Contributes to the betterment of existing government policies and assists in the introduction of new policies.</li> <li>• Builds strong long-term rapport with the Government in order to cultivate a conducive business environment for the RE industry</li> </ul>
 <b>Local Communities/ NGOs</b>	<ul style="list-style-type: none"> <li>• Involvement in community focused programmes</li> <li>• Involvement in corporate events</li> <li>• Organising Corporate Social Responsibility (“CSR”) activities</li> <li>• Foster strong relations with related NGOs</li> </ul>	<ul style="list-style-type: none"> <li>• Enhances the existing strong bond between the communities and Cypark</li> <li>• Contributes to the Government efforts in educating the communities on the importance of Environmental Preservation and Sustainable Eco-System</li> </ul>
 <b>Media</b>	<ul style="list-style-type: none"> <li>• Press conference</li> <li>• General press/media releases</li> <li>• One-to-one media engagements</li> <li>• Dialogue sessions with media</li> <li>• Media invitations to corporate events</li> </ul>	<ul style="list-style-type: none"> <li>• Maintains the existing excellent effort of media engagement in order to further enhance Cypark’s branding</li> </ul>
 <b>Industry</b>	<ul style="list-style-type: none"> <li>• Involvement in meetings, dialogue sessions and briefing, such as the Hong Leong Bank Sustainability Round Table, PV Invest Tech Malaysia and Clean Power &amp; New Energy Conference 2021</li> <li>• Organising official visits</li> </ul>	<ul style="list-style-type: none"> <li>• Further enhances RE industry development in Malaysia through continued support of industry-based activities</li> </ul>

## OUR SUSTAINABILITY STRATEGY

We have embarked on our sustainability journey since inception in 2010 and sustainability is a motto that has been ingrained in the Group’s policies. It is inextricably linked with Cypark’s business strategy, decision making and operational execution. The fundamental key pillars in realising these are:



# SUSTAINABILITY STATEMENT

## MARKETPLACE



*Cypark's Renewable Energy Park located in Pajam was developed and constructed under a remediated landfill area*

01

Throughout the years, Cypark has been working persistently to create a conducive marketplace that complements the overall needs and objectives of each stakeholder. These efforts have been crafted and executed after the evaluation of current key social and environmental issues. We emphasise on continual measures to support the economic sustainability of our operations.

### Greenhouse Gas Reduction

Development of RE parks that reduce GHG emissions

### Responsible Land Use

Solid Waste Modular Advance Recovery and Treatment System ("SMART")

### Innovation and Research & Development ("R&D")

Management Direction, Portfolio Management & Idea-to-Launch Process

### Assist Income Generation

World's first innovation of Agriculture Integrated Photovoltaic ("AIPV") System

### EMBRACING RENEWABLE ENERGY ("RE")

RE has always been Cypark's core business philosophy and strategy. Cypark is one of the few companies that are involved in various forms of RE business, namely solar, WTE, biogas and biomass. We are also the market leader in the amount of RE sold to the grid and we will continue to be involved heavily in the industry especially in the newly implemented Malaysian Electricity Supply Industry ("MESI") 2.0. We anticipate that MESI 2.0 will further enhance the acceptance of RE in Malaysia and RE usage is expected to increase by ten-fold as compared to existing usage.

## SUSTAINABILITY STATEMENT

### GREENHOUSE GAS REDUCTION

Cypark is one of the few listed companies on Bursa Malaysia that can claim to have an operation with zero carbon emission and reduced Greenhouse Gas (“GHG”) emission. To date, the Group’s RE parks, which are in commercial operations, have successfully avoided the emission of 279,277.56 tonnes of carbon dioxide (“CO<sub>2</sub>”) while generating 404,750 MWh renewable energy. This is in addition to the avoidance of other emissions including nitrogen oxide and sulphur dioxide. Reducing GHG emission has been our continuous effort as part of our long-term sustainable business philosophy and our contribution to society.

Year 2021	Total Renewable Energy Generation (GWh)	USEPA Annual Avoidance of Carbon Dioxide Equivalent (Tonnes)
Total to date	404.75	279,277.56

The GHG reduction process is not only implemented in the energy generation activities but also in terms of land use to reduce vegetation clearance as per our green construction philosophy. We believe the future of our generation lies in renewable and low-carbon sources of energy as stakeholders gravitate towards decarbonisation to mitigate climate change.

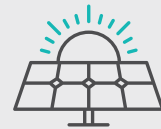
### RESPONSIBLE LAND USE

Our modus operandi in the creation of RE parks focuses on the use of non-productive and/or non-commercial areas, which is the reason why some of our current RE parks are mainly located on landfill areas and rehabilitated landfill areas. These kind of areas facilitate the process of lowering GHG emission because it will not involve any additional land acquisition and tree and vegetation clearing throughout the park creation process. The best example of this is our Ladang Tanah Merah RE Park, which is located in a landfill area that houses a solar plant, a biogas engine and a WTE plant. This is the first in Malaysia, and possibly in South East Asia, that has such a combination encompassing Solid Waste Modular Advanced Recovery and Treatment System (“SMART”) methodology, Landfill Waste Management and other types of Renewable Energy.



4.3 MW Renewable Energy Park in Jelevu, Negeri Sembilan

### RENEWABLE ENERGY TARGET



Malaysia Plan

**6,000 MW**

of renewable energy installed capacity by the year 2025



Cypark Resources Berhad

**400 MW**

of renewable energy capacity by the year 2022

**500 MW**

of renewable energy by 2023



## SUSTAINABILITY STATEMENT

To date, the Group has successfully remediated and converted up to 888 acres of non-productive lands and water bodies into income-generating areas in relation to LSS, biogas and biomass projects. Furthermore, in order to have better land resource allocation for different projects, Cypark pursues collaboration with various entities from both public and private sectors. Our focus, however, remains on sourcing non-productive land or space wherever possible.

### ASSIST INCOME GENERATION

We adopted and implemented the Agriculture Integrated Photo Voltaic (“AIPV”) system, which allows us to achieve clean energy generation as well as food crop cultivation and livestock rearing. The 1.075 MW AIPV facility located in Kuala Perlis, Perlis and the 4 MW solar plant in Jelebu have shown promising results so far on the co-existence of both commercially viable activities that can potentially be implemented in other future projects.

### INNOVATION AND R&D

Innovation and R&D are the key components that enable the Group to stay ahead of local competition and to be deemed on par with other internationally renowned RE companies. This was proven when Cypark became the only local company that won the previous LSS3 tender.

Led by competent Malaysian Renewable Energy researchers, almost 2% of our revenue is allocated to fund the R&D. Our R&D team stands tall for having brought to Malaysia the ground-breaking, first-ever floating solar farm as well as WTE facility. Moreover, we are also the pioneer in introducing the innovative AIPV system to the world. Other notable achievements of our R&D include SMART inverter applications, enhanced solar panels, the incorporation of the Internet of Things in the form of energy management software, and data sensors to improve monitoring and maintenance.



First and largest AIPV in Malaysia located in Kuala Perlis, Perlis

We will continue to emphasise the R&D of real-world applications, which are practical and commercially driven. For examples, research on vertical solar, enhancement of energy storage applications, expanding the usage of biofuels sources, and enhancement of solar energy generation facilities. These applications shall accord further benefits in terms of cost efficiency and environmental sustainability.

We also attempt to keep abreast of digitalisation and technological innovation in enhancing our product offerings to our customers. In view of this, we have entered into a MOU with Huawei Technologies (Malaysia) Sdn Bhd (Huawei) on 3 December 2021 to collaborate for the purposes of a long-term cooperation for a total of 500 MW RE projects in and outside Malaysia. In this arrangement, Huawei will act as the technology enabler and it will undertake to provide the technical and after-sales support for all products and solutions. Meanwhile, Cypark will be the user and installer of the said products and solutions, subject to agreement of both parties and the terms and conditions of the collaboration with Huawei for the Project. The partnership with Huawei is expected to allow Cypark to monitor the performance of our projects better, while also enabling more informed and timely decision making with regards to our EPCC and operation and maintenance of our RE projects.

The R&D team is supervised by the Senior Management to ensure that the R&D efforts are aligned with the business strategies, and that resources are utilised optimally to ensure commercial value.



## SUSTAINABILITY STATEMENT



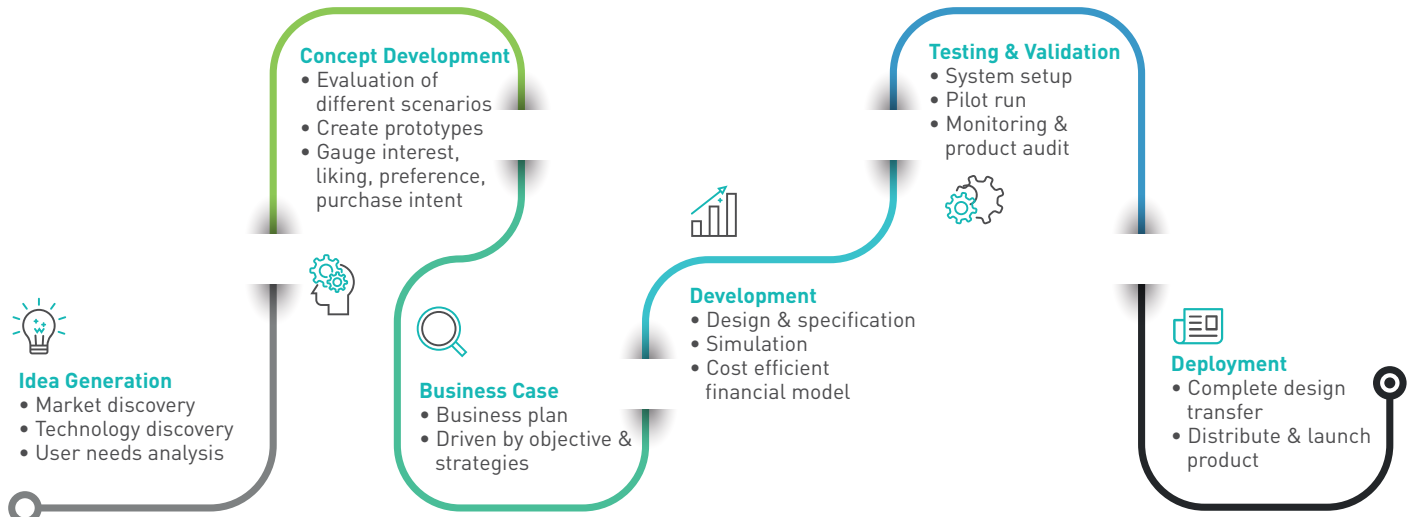
Signing of the MOU with Huawei represented by En. Faizal Yusof, Senior Director of Engineering & Technical of Cypark

Our R&D Portfolio management prioritises the projects based on the direction from the Senior Management to ensure adequate resources are strategically allocated to the R&D projects for finest outcomes, especially when there is an increase in projects coming into the pipeline.

The next phase is the Idea-to-Launch Process. This critical step needs to be followed diligently by the business unit to ensure the R&D can be successfully commercialised, on time and within budget. At the same time, it also ensures the R&D fits with Cypark’s business philosophy in ensuring environmental and economic sustainability.

### BRINGING OUR IDEAS TO LIFE

Idea-to-Launch Process



# SUSTAINABILITY STATEMENT

## WORKPLACE



*Toolbox briefing at Cypark's SMART WTE Plant in Ladang Tanah Merah, Negeri Sembilan*

### 02

Human capital is Cypark's main asset. Hence, Cypark is committed to create a dynamic and environmentally stimulating workplace that can attract, retain and develop new and existing talents and bring out the best in them. We also recognise the immense value of our human capital and seek to build the competencies and capabilities of our people to realise their full potential while ensuring their health and safety.

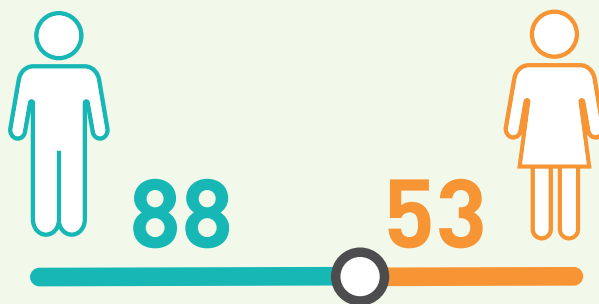
The Group prides itself for having a diverse, multi-cultural workforce consisting of highly skilled local industry professionals, whom we believe are on the par with their overseas counterparts. Furthermore, gender equality has been well entrenched and practised, and continues to be strengthened.

### EMPLOYEE RECRUITMENT

Our workforce continues to grow in FYE 2021 with 35 new hires as we believe a stronger workforce is needed to reinforce our business and achieve more productivity; resulting in the progress of the Company.

Of the total existing employees, 88 are males and 53 are females, which demonstrate equal employment opportunities regardless gender have been given, in line with our values to be an equitable employer that recruits, retains and rewards staff based purely on merit and professional contribution and capabilities.

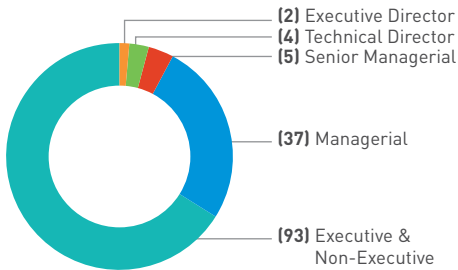
### Employees by Gender



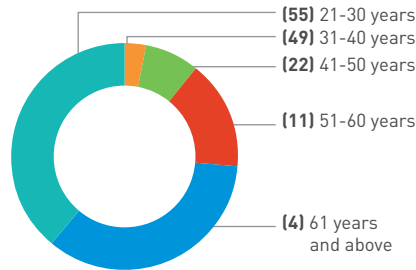


## SUSTAINABILITY STATEMENT

### Employees by Function



### Employees by Age



**Total Employees: 141**

### POTENTIAL DEVELOPMENT

To be amongst renowned corporations in the renewable energy sector globally, we seek to empower our people with a nurturing ambience. Moving forward, we want Cypark’s employees to grow with us so that they are able to adapt with the advancement of technology and new challenges.

In FYE 2021, thirty-two (32) personnel attended various training engagements pertaining to technical skills, compliance awareness, product knowledge, human resources, health, safety, security and environment, soft skills, leadership skills and finance. The Group focuses in boosting and maintaining core competencies and building new capabilities in technology and innovation.

### HEALTH AND SAFETY

As safety is the key element of our organisational culture, we continue to emphasise, maintain and cater a safe work environment for our workforce. Cypark is attentive in creating a safe and healthy workplace by eliminating work-related injuries and illness. We take pride in the strong track record that we have built in Cypark.

Cypark’s response to COVID-19 has been nothing short of proactive. Besides putting in place strict Standard Operating Procedures (“SOP”) at project sites and headquarters, Cypark has taken the initiative to provide COVID-19 vaccination to all employees including their immediate families. In September 2021, Cypark was one of the earliest corporate body to successfully launch a full vaccination programme. This was our contribution towards the country to achieve herd immunity.

The Group has continued to inculcate a strong Health, Safety, and Environment (“HSE”) mindset and culture within the organisation, particularly for those who work onsite. This includes weekly safety toolbox briefing at construction sites, site inspections by Senior Management along with various internal and external training programmes.

Moreover, the Group continues to create various HSE campaigns through company-wide communication channels as part of the on-going dissemination and propagation of safety-first mind set among employees. We believe in encouraging employees and workers to take ownership in ensuring safety in their respective work areas to prevent work-related hazards or perilous situations.



**Total Training Budget  
in FYE2021**

**RM125,800**



**Average Spending on  
Employees’ Training**

**RM142**



**Average Training  
Hours Per Staff**

**0.14 hours**

SUSTAINABILITY STATEMENT

# ENVIRONMENT



*Cypark and PKNM Energy Sdn. Bhd. ("PKNME"), a wholly-owned company of Perbadanan Kemajuan Negeri Melaka, a corporate statutory body of the Melaka State Government, signed a Cooperation Agreement to participate in the WTE Public Private Partnership Project at Sungai Udang, Melaka*

## 03

The Group remains steadfast in our commitment to sustainable development and seeks to operate in a way that minimises environmental harm. We seek to uphold environmental concerns with emphasis on application of new technologies and industry best practises that are environmentally friendly.

Cypark continues its approach beyond developing conventional carbon emission reduction projects by rehabilitating contaminated landfills. The Group has successfully transformed non-productive, abandoned and degraded areas by remediating and converting up to 888 acres of area into environmentally friendly renewable energy projects which also generate income in respect of LSS, biogas and biomass projects.

### GREENHOUSE GAS REDUCTION

The Group's development of RE parks produce zero GHG emission compared to conventional fossil fuel based power facilities. Presently, the Group's RE parks have helped to successfully avoid 279,277.56 tonnes of Carbon Dioxide ("CO<sub>2</sub>") while generating 404,750 MWh from renewable energy. This is in addition to avoid other emissions such as Nitrogen Oxide, Sulphur Dioxide, and many more.

	Current year (2021)	Total to date
Total Renewable Energy Generation (MWh)	60,251.34	404,750.08
USEPA annual avoidance of carbon dioxide equivalent (tonnes)	41,573.42	279,277.56
Coal Fire Avoidance (tonnes)	7,400.98	49,717.79
Value of coal import avoided	4,315,179.77	28,988,058.32



The strong demand received for our Biomass Engineered Fuel enables Cypark to continuously export it overseas

We are spirited to say that we are one of the few listed companies on Bursa Malaysia that are actively contributing to the reduction of carbon and GHG emission.

We pledge to further minimise our carbon footprint by embracing and reinforcing renewable energy generation and energy efficiency.

### CIRCULAR ECONOMY MODEL

Cypark subscribes to the models of the circular economy, where resources are to be optimised – recycled, preserved and kept in use for as long as possible – extracting the maximum value while simultaneously allowing these to regenerate for future use. Circular economy promotes production and consumption of sustainable and greener energy instead of burning non-renewable fossil fuels.

The Group believes that by adhering to the principles of a Circular Economy, the Group is able to better comprehend its sustainability goals. The Circular Economy approach also directly contributes to addressing key issues such as climate change, resource depletion, and contamination of land and water, among others. As part of Cypark’s focus to expand its WTE segment, Cypark has formed partnerships with state government bodies in Johor and Melaka to explore WTE opportunities in the region.



Cypark and Permodalan Darul Ta’zim Sdn Bhd (“PDT”), a wholly-owned company of the Johor State Government, signed a Cooperation Agreement to participate in the WTE Public Private Partnership Project at Bukit Payong, Batu Pahat, Johor Tender issued by the Ministry of Housing and Local Government



Cypark’s Total Renewable Energy Generation

**404,750.08 MWh**



Cypark’s Total Coal Fire Avoidance

**49,717.79 tonnes**



## SUSTAINABILITY STATEMENT

## COMMUNITY



*Cypark's contributed towards building national herd immunity through its Program Mobilisasi Vaksin Komuniti ("MOVAK") launched in Johor on 26 June 2021*

04

Cypark values its staff and views society as the most essential part of its sustainability voyage. We believe that social and community development supports livelihoods by uplifting the economy as well as the quality of life.

Although there were myriad of challenges amidst the COVID-19 pandemic period, Cypark strived to engage with various society-focused programmes such as industry conferences and forums, government events and other related activities. Through our CSR programme, we participated in various community development activities including providing educational institutions with information on renewable energy and offering internship opportunities.


All in all, we continue to educate our employees that CSR should be contemplated as a natural extension to our business model and footprint, and should not be viewed entirely as a form of charity or societal outreach.

# BOARD OF DIRECTORS' PROFILE



Executive Chairman  
Non-Independent Executive Director

Date of Appointment: **1 October 2006**

Nationality 

Age **83**

Gender **Male**

Number of Board Meetings Attended **6/6**

## TAN SRI RAZALI BIN ISMAIL

Tan Sri Razali bin Ismail, a Malaysian, aged 83, was appointed to the Board on 1 October 2006. A substantial shareholder to the Company as well as founder of Cypark Sdn. Bhd., he is also a member of the Remuneration Committee.

Tan Sri Razali retired from government in 1998 after a career of over 35 years in the Malaysian Diplomatic Service. He held various posts including as Permanent Representative to the United Nations (“UN”).

At the UN, Tan Sri Razali was involved in articulating and developing positions in various bodies on issues such as development and sustainability, poverty and marginalisation, political reforms in the UN and issues of human rights and the environment. From 2000 – 2005, he was the UN Secretary-General’s Special Envoy to Myanmar. He was also deputy president in United Nations Association Malaysia (“UNAM”) from 2018 to 2020.

Tan Sri Razali is involved in environmental industries specifically in renewable energy and solar. He was appointed as the Pro Chancellor of Universiti Sains Malaysia (“USM”), was the Chairman of the National Peace Volunteer Corp (Yayasan Salam), heads an NGO Project Board of Directors’ Profile – Yayasan Chow Kit on street and displaced children, was on the Board of the Razak School of Government and continues to promote the protection and replanting of mangroves. He was the Chairman of the Global Movement of Moderates Foundation. He retired as the Chair of the Human Rights Commission (“Suhakam”) in April 2019, after serving the position for 3 years since 2016. In 2019, he was appointed as a member of Royal Commission of Inquiry (“RCI”) by Ministry of Home Affairs.

Tan Sri Razali has attended six (6) out of the six (6) Board of Directors’ Meetings held during the financial year ended 31 October 2021. He does not have any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest with the Company. He does not have any convictions for any offences within the past five (5) years or any public sanction or penalty imposed by regulatory bodies during the financial year ended 31 October 2021.

Tan Sri Razali does not hold directorship in any other public companies and listed issuers.



Group Chief Executive Officer  
Non-Independent Executive Director

Date of Appointment: **1 October 2006**

Nationality 

Age **56**

Gender **Male**

Number of Board Meetings Attended **6/6**

## DATO’ DAUD BIN AHMAD

Dato’ Daud bin Ahmad, a Malaysian, aged 56, was appointed to the Board on 1 October 2006 and is one of the co-founders of Cypark Sdn. Bhd. He was appointed as the CEO of Cypark since January 2001.

An Accountant by profession, Dato’ Daud is a graduate of Pennsylvania State University, USA. He has also completed an Executive Management Programme at University of Chicago (Barcelona) and is a member of the Chartered Institute of Waste Management (“CIWM”), UK. He is also a member of Solar Energy Industries Association (“SEIA”). Winner of Ernst & Young “Technology Entrepreneur of the Year Award 2013” for Malaysia, Dato’ Daud has over 30 years of experience including in the fields of International Business, Oil & Gas, Waste Management, Renewable Energy and Environmental Management. Prior to his involvement in Cypark, he worked for KPMG, Motorola Malaysia Sdn Bhd, ESSO Production Malaysia Inc. and Ayer Molek Berhad.

Dato’ Daud has been the key driver of Cypark’s successful journey to be the Malaysia’s leading player in Renewable Energy and Environmental Sustainability business since 1999. Through Cypark which he co-founded in 1999, he has successfully implemented many innovative sustainability projects such as Solar Farm on Closed Landfills, Floating Solar Farm, Agri Integrated Solar Farm, Green Coal from EFB and Integrated Waste to Energy. Under his prudent leadership, Cypark is currently undertaking the operation and development of 400 MW RE project in the country.

Dato’ Daud has attended six (6) out of the six (6) Board of Directors’ Meetings held during the financial year ended 31 October 2021. He does not have any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest with the Company. He does not have any convictions for any offences within the past five (5) years or any public sanction or penalty imposed by regulatory bodies during the financial year ended 31 October 2021.

Dato’ Daud does not hold directorship in any other public listed companies and listed issuers.

## BOARD OF DIRECTORS' PROFILE



Independent Non-Executive Director

Date of Appointment: **8 June 2010**

Nationality 

Age **82**

Gender **Male**

Number of Board Meetings Attended **6/6**

### DATO' DR. FREEZAILAH BIN CHE YEOM

Dato' Dr. Freezailah bin Che Yeom, a Malaysian, aged 82, was appointed to the Board on 8 June 2010. He was appointed by the Board as Chairman of the Audit Committee on 22 September 2010 and is also the Chairman of the Nomination Committee and Remuneration Committee.

He obtained a First Class Honours degree in Forestry and a PhD in Ecology from Edinburgh University ("EU") in 1963 and 1974 respectively. Dato' Dr. Freezailah served as an Advisor to the Ministry of Plantation Industries and Commodities on negotiations with the EU to conclude an agreement on timber legality certification. He was also the Chairman of the Malaysian Timber Certification Council, a post he held since the inception of the Council in 1999 until 2016. He previously served the Forestry Department of Peninsular Malaysia and held several senior positions such as Deputy Chief Research Officer of the Forest Research Institute, Director of Forestry in the States of Kelantan and Pahang and Deputy Director-General of Forestry. In 1986, Dato' Dr. Freezailah was elected as the founding Executive Director of the International Tropical Timber Organisation ("ITTO"), created by the United Nations, to promote the conservation and sustainable development of tropical forests. Based in Yokohama, Japan, he served the ITTO for 13 years and contributed to its establishment and development of the organisation into a respected global organisation.

Dato' Dr. Freezailah has attended six (6) out of the six (6) Board of Directors' Meetings held during the financial year ended 31 October 2021. He does not have any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest with the Company. He does not have any convictions for any offences within the past five (5) years or any public sanction or penalty imposed by regulatory bodies during the financial year ended 31 October 2021.

Dato' Dr. Freezailah does not hold directorship in any other public listed companies and listed issuers.



Independent Non-Executive Director

Date of Appointment: **7 September 2010**

Nationality 

Age **56**

Gender **Male**

Number of Board Meetings Attended **6/6**

### ENCIK HEADIR BIN MAHFIDZ

Encik Headir bin Mahfidz, a Malaysian, aged 56, was appointed to the Board on 7 September 2010. He was appointed by the Board as a member of the Audit Committee on 22 September 2010, Nomination Committee on 1 January 2012 and Risk Management Committee on 1 August 2012.

He graduated from the University of Tasmania, Australia with a Bachelor of Commerce degree in 1989. In 1992, he earned his qualification as a Certified Practising Accountant, certified by CPA Australia, where he was awarded the FCPA status in December 2018. He is also a Member of Malaysian Institute of Accountants, being admitted since 1996.

He obtained his Certified Professional Shariah Auditor ("CPSA") status in December 2019.

Encik Headir has attended six (6) out of the six (6) Board of Directors' Meetings held during the financial year ended 31 October 2021. He does not have any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest with the Company. He does not have any convictions for any offences within the past five (5) years or any public sanction or penalty imposed by regulatory bodies during the financial year ended 31 October 2021.

Encik Headir does not hold directorship in any other public listed companies and listed issuers.



## BOARD OF DIRECTORS' PROFILE



Independent Non-Executive Director

Date of Appointment: **1 August 2012**

Nationality 

Age **52**

Gender **Male**

Number of Board Meetings Attended **6/6**

### ENCIK MEGAT ABDUL MUNIR BIN MEGAT ABDULLAH RAFAIE

Encik Megat Abdul Munir bin Megat Abdullah Rafaie, a Malaysian, aged 52, was appointed to the Board on 1 August 2012. He was appointed by the Board as a member of the Audit Committee, Nomination Committee and Risk Management Committee on 1 August 2012.

He is a founding partner of the legal firm Messrs. Zain Megat & Murad and leads the Kuala Lumpur branch as well as three of the firm's practice areas, namely Litigation, Corporate Commercial and the Foundation Laws. He not only is heavily involved in corporate and general litigation but also advises on foreign investments, mergers and acquisitions, listing and compliance requirements as well as matters related to Bursa Malaysia Securities Berhad and Securities Commission Malaysia. Since 1999, he has been a director of a Taiwanese global multi-national company based and listed in Malaysia, namely Tong Herr Resources Berhad, and was entrusted to chair its Audit Committee since 2002.

A graduate in Bachelor of Laws from International Islamic University Malaysia, he was called to the Malaysian Bar in 1994.

Encik Megat Abdul Munir has attended six (6) out of the six (6) Board of Directors' Meetings held during the financial year ended 31 October 2021. He does not have any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest with the Company. He does not have any convictions for any offences within the past five (5) years or any public sanction or penalty imposed by regulatory bodies during the financial year ended 31 October 2021.



Independent Non-Executive Director

Date of Appointment: **19 September 2012**

Nationality 

Age **84**

Gender **Male**

Number of Board Meetings Attended **6/6**

### DATUK ABDUL MALEK BIN ABDUL AZIZ

Datuk Abdul Malek bin Abdul Aziz, a Malaysian, aged 84, was appointed to the Board on 19 September 2012. He was appointed by the Board as Chairman of the Risk Management Committee and a member of Remuneration Committee on 19 September 2012.

Datuk Malek served for close to four decades in the Malaysian Public Service commencing as Assistant Secretary and retired as Senior Deputy Secretary General in the Prime Minister's Department. Among the key positions he has held were Secretary to the National Security Council, Director General of Immigration, Deputy Secretary General of the Ministry of Home Affairs and Deputy Director General of the Public Services Department. He also served as Chairman of Public Services Tribunal for almost a decade.

A law graduate from University of Singapore, he also holds a Diploma in International Relations and attended a course at the Royal College of Defence Studies, United Kingdom.

Datuk Malek has attended six (6) out of the six (6) Board of Directors' Meetings held during the financial year ended 31 October 2021. He does not have any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest with the Company. He does not have any convictions for any offences within the past five (5) years or any public sanction or penalty imposed by regulatory bodies during the financial year ended 31 October 2021.

Datuk Malek does not hold directorship in any other public listed companies and listed issuers.

## KEY SENIOR MANAGEMENT'S PROFILE

### DOREEN TAN SWEET LOON

Finance Director

Nationality 

Age **59**

Gender **Female**

#### Qualifications:

- Bachelor of Commerce (Accountancy), University of Queensland, Australia
- Chartered Accountant member of the Malaysian Institute of Accountants
- CPA member of CPA Australia

#### Working Experiences:


- More than 33 years of professional and commercial experience in the areas of audit, accounting and finance in various industries, having worked in among others, KPMG Peat Marwick Singapore, Chinese Development Assistance Council Singapore, Singapore-Suzhou Township Development Pte Ltd, Westport Holdings Sdn Bhd and Messrs Monteiro and Heng.
- Joined the Group as Group Financial Controller in 2002.

#### Appointment to the Current Position:

- 1 October 2010

### FAIZAL BIN YUSOF

Senior Director

Nationality 

Age **43**

Gender **Male**

#### Qualifications:

- Bachelor of Engineering in Civil and Structural, Universiti Kebangsaan Malaysia
- Master Degree in Business Administration, Universiti Kebangsaan Malaysia
- Registered engineer with the Board of Engineers Malaysia
- Registered engineer with the Board of Engineers Dubai Municipality

#### Working Experiences:

- More than 23 years of working experience in the region of Asia and Middle East, comprising energy, construction, and engineering i.e. high rise, hospital, highway, university, infrastructure, property development, asset facilities management, operation and maintenance.
- Held various key positions in reputable projects as Head of Country, General Manager, Project Director and Head of Project Management Office (PMO)
- Last position held prior to joining the Group in 2016 was Head of Country of UAE office and General Manager at Zelan Group of Companies.

#### Appointment to the Current Position:

- 7 October 2016

### WAN MARINI BINTI WAN SALLEH

Accounting Manager

Nationality 

Age **43**

Gender **Female**

#### Qualifications:

- Bachelor of Accountancy (Hons), Universiti Kebangsaan Malaysia
- Chartered Accountant member of the Malaysia Institute of Accountants

#### Working Experiences:

- More than 21 years of experience in the areas of accounting and finance
- Has worked in various private companies in industries, ranging from oil and gas, commodity trading and hospitality prior to joining the Group in 2015.

#### Appointment to the Current Position:

- 1 July 2015

#### Additional notes on key senior management

None of the key senior management has any:

1. Directorship in public companies and listed issuers;
2. Family relationship with any director or/and major shareholder of Cypark Resources Berhad;
3. Conflict of interests with the Company; and

4. Conviction for offences within the past five (5) years, and public sanction or penalty imposed by the relevant regulatory bodies on him or her during the financial year ended 31 October 2021, which require disclosure pursuant to paragraph 4A(g) of Part A of Appendix 9C of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors of Cypark Resources Berhad (“**the Company**” or “**CRB**”) (the “**Board**”) recognises the importance of practising high standards of corporate governance in the best interest of CRB and its stakeholders, and to protect and enhance shareholders’ value and the performance of the Company and its subsidiaries (the “**Group**”).

The Board is pleased to present this Corporate Governance (“**CG**”) Overview Statement (the “**Statement**”) to provide an overview of the CG practices adopted by the Company in achieving the intended outcomes as set out in the Malaysian Code on Corporate Governance (“**MCCG**”) with reference to the following three (3) key principles, under the stewardship of the Board:

- (a) Principle A : Board Leadership and Effectiveness;
- (b) Principle B : Effective Audit and Risk Management; and
- (c) Principle C : Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

This Statement also serves as a compliance with Paragraph 15.25(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**MainLR**”) and should be read together with the CG Report of the Company for the financial year ended 31 October 2021 (“**FYE 2021**”) published on the Company’s website at <http://www.crbev.com>.

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### I. BOARD RESPONSIBILITIES

#### Intended Outcome 1.0

**Every company is headed by a Board, which assumes responsibility for the Company’s leadership and is collectively responsible for meeting the objectives and goals of the Company.**

- 1.1 The Board relies on the reports provided by the Group Chief Executive Officer (“**GCEO**”) who oversees the entire business and operations of the Group in setting the Company’s strategic aims. At each Audit Committee (“**AC**”) meeting and Board meeting, and as and when the need arises, the GCEO will brief the Directors on the current operations, issues faced and plans of the Group in order for the Board to be kept abreast on the conduct, business activities and development of the Company, and to discuss and advise the Management in its formulation of the Company’s business strategies, both short-term and long-term. Discussions would include the deployment of resources efficiently and effectively in achieving the objectives to be met. In making its decisions, the Board would be guided by the Company’s values and standards.

In the discharge of the Board’s duties and responsibilities, the Board has delegated certain duties and responsibilities to four (4) other Board Committees namely, the AC, Risk Management Committee (“**RMC**”), Nomination Committee (“**NC**”) and Remuneration Committee (“**RC**”) to assist the Board in overseeing the Company’s affairs and in deliberation of issues within their respective functions and terms of reference (“**TOR**”), which outline clearly their objectives, duties and powers. The Chairman of each Committee will report to the Board on the outcome of the Committee’s meetings and resolutions, which would also include the key issues deliberated at the Committee’s meetings.

- 1.2 The Board is chaired by Tan Sri Razali bin Ismail, who is able to provide effective leadership, strategic direction and necessary governance to the Group.
- 1.3 The positions of the Chairman and GCEO of the Company are held by two (2) different individuals and each has a clear accepted division of responsibilities to ensure a balance of power and authority, such that no one individual has unfettered powers in decision making.

The Chairman is primarily responsible for the achievement of the Group’s strategic vision and also for leading the Board in its collective oversight of management, while the GCEO has overall responsibilities over the business operations and day-to-day management of the Group and the implementation of the Board’s policies and decisions. These divisions of responsibilities are set out in the Company’s Board Charter.



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- 1.4 The Company is supported by two (2) suitably qualified and competent Company Secretaries. Both Company Secretaries are qualified Chartered Secretaries as per Section 235(2)(a) of the Companies Act 2016 and are Fellow members of the Malaysian Association of the Institute of Chartered Secretaries and Administrators (MAICSA).

The Company Secretaries are the external Company Secretaries from Securities Services (Holdings) Sdn. Bhd. with vast knowledge and experience from being in public practice and are supported by a dedicated team of company secretarial personnel.

During the FYE 2021, the Company Secretaries had discharged their duties and responsibilities accordingly, and will continue to constantly keep themselves abreast on matters concerning company law, the capital market, CG, and other pertinent matters, and with changes in the regulatory environment through continuous training and industry updates.

The Board is satisfied with the performance and support rendered by the Company Secretaries in discharging their functions and duties.

- 1.5 Meeting materials are circulated to Directors at least five (5) business days in advance of the Board/Board Committee meetings. The Minutes of Board/Board Committee meetings are circulated to the respective Chairman of the meetings in a timely manner for review before they are confirmed and adopted by members of the Board/Board Committee at their respective meetings.

### Intended Outcome 2.0

**There is demarcation of responsibilities between the Board, Board Committees and Management.**

**There is clarity in the authority of the Board, its Committees and individual Directors.**

- 2.1 The Board has a Board Charter, which includes a formal schedule of matters reserved for the Board. The said schedule details the responsibilities of the Board and Board-Management relationship, including management limitations. With this, the respective functions, roles and responsibilities of the Directors and Management are clearly set out in the Board Charter as guidance and clarity to enable them to effectively discharge their duties.

The Board Charter also includes an outline on what is expected of Directors in terms of their commitment, roles and responsibilities as Board Members. The Board Charter is published and available on the Company's website at <http://www.crbenv.com>.

The Board has identified Dato' Dr. Freezailah bin Che Yeom to be the Senior Independent Director, who acts as:

- a sounding board for the Executive Chairman;
- an intermediary for other Directors where necessary; and
- the point of contact for shareholders and other stakeholders.

### Activities of the NC

During the FYE 2021, the NC has undertaken the following activities in the discharge of its duties:

- (i) reviewed and confirmed the Minutes of the NC meetings held;
- (ii) examined the composition of the Board;
- (iii) reviewed the required mix of skills, experience and other qualities of the Board;
- (iv) reviewed the contribution and performance of each individual director to assess the character, experience, integrity, and competence to effectively discharge their role as a Director through a comprehensive assessment system;
- (v) conducted evaluation to assess the effectiveness of the Board as a whole and the Board Committees;
- (vi) reviewed the term of office of the AC and assessed its effectiveness as a whole;
- (vii) reviewed the independence of the Independent Directors and assessed their ability to bring independent and objective judgement to Board deliberations;
- (viii) recommended the re-election of the directors who are to retire by rotation at the Sixteenth Annual General Meeting ("AGM"); and
- (ix) reviewed the meeting attendance of the Board and Board Committees.

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During the FYE 2021, the Board had convened a total of six (6) Board Meetings for the purposes of deliberating on the Company's quarterly financial results and discussing other strategic and important matters. During the Board Meetings, the Board reviewed the operations and performance of the Group and other strategic issues that may affect the Group's business. Relevant senior management members were invited to attend some of the Board Meetings to provide the Board with their views and clarifications on issues raised by the Directors.

The NC noted that the Directors, to the best of their ability, have devoted sufficient time and effort to attend Board and/or Board Committee meetings for the FYE 2021.

The attendance of Directors during the FYE 2021 is set out below:-

Directors	Directorship	Board	AC	RMC	NC	RC
Tan Sri Razali bin Ismail	Executive Chairman	6/6	Not member	Not member	Not member	1/1
Dato' Daud bin Ahmad	GCEO	6/6	Not member	Not member	Not member	Not member
Dato' Dr. Freezailah bin Che Yeom	Independent Non-Executive Director ("INED")	6/6	6/6	Not member	1/1	1/1
Encik Headir bin Mahfidz	INED	6/6	6/6	4/4	1/1	Not member
Encik Megat Abdul Munir bin Megat Abdullah Rafaie	INED	6/6	6/6	4/4	1/1	Not member
Datuk Abdul Malek bin Abdul Aziz	INED	6/6	Not member	4/4	Not member	1/1

In order for the Group to remain competitive, the Board ensures that the Directors continuously enhance their skills and expand their knowledge to meet the challenges of the Board.

Upon assessing the training needs of the Directors, the Board recognised that continuing education would be the way forward in ensuring its members are continually equipped with the necessary skills and knowledge to meet the challenges ahead.

During the FYE 2021, the Directors have attended at least one (1) training programme. The training programme and seminar attended by the Directors during the FYE 2021 were as follows:

Conference/Seminar/Forum/Discussion/Workshop/Training	Organisator/Venue	Date
Perbadanan Kemajuan Negeri Selangor (PKNS) Legal Clinic on COVID-19 Bill	Bangunan Ibu Pejabat PKNS, Shah Alam	24 November 2020
Islamic Consumer Financing Products and Services	Webinar	2 February 2021 to 3 February 2021
Key Aspects of Takaful	Webinar	16 February 2021
Introduction to Risk Management	Webinar	26 February 2021
Determining Materiality in Audit	Webinar	3 March 2021
ISA 220 & ISA 230: Quality Control for an Audit of Financial Statements and Audit Documentation	Webinar	8 March 2021
ISA 220 & ISA 230: Quality Control for an Audit of Financial Statements and Audit Documentation	Webinar	16 March 2021

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Conference/Seminar/Forum/Discussion/Workshop/ Training	Organisator/Venue	Date
IQIF(T) M1: Contemporary Takaful Businesses	Webinar	22 March 2021
Audit of Impairment of Assets, Accounting Estimates & Provisions	Webinar	31 March 2021 to 1 April 2021
Audit Evidence and Sampling	Webinar	7 April 2021
Interview by Research Team UUM – Expanding Capability and Credibility of Malaysia in the United Nations Security Council (UNSC): A New Parameter and Best Practices of UNSC Non-Permanent Members	Microsoft Teams	7 April 2021
Accounting for Property, Plant & Equipment, and Investment Property (MFRS/MPERS)	Webinar	14 April 2021 to 15 April 2021
Interview on Malaysia's Pursuit of Development Progress by World Bank Group	Corporate Office of the Executive Chairman of CRB	20 May 2021
Power Talk with RHB	Virtual Conference	22 May 2021
Hak Majikan: Menghadapi Cabaran COVID-19	Webinar	2 June 2021
Assessing Audit Risks (in the New Norm)	Webinar	3 June 2021
Accounting for Cryptocurrency Assets	Webinar	17 June 2021
MIA Town Hall 2021 – National	Webinar	18 June 2021
Latest Development in Malaysian Financial Reporting Standards (MFRS)/IFRS and IC Interpretation – An Overview	Webinar	21 June 2021 to 22 June 2021
Auditors and Fraud (in the New Norm)	Webinar	28 June 2021
ISQC 1, ISQM 1 & ISQM 2, and ISA 220 (Revised), Incorporating Root Cause Analysis	Webinar	6 July 2021 to 7 July 2021
Workshop on the Taxation of Property Transaction in Malaysia	Webinar	16 July 2021
National Tax Conference 2021	Webinar	27 July 2021 to 28 July 2021
Identification and Assessment of Audit Risks	Webinar	4 August 2021
MPSAS : Transformasi Penyediaan Penyata Kewangan dalam Sektor Awam	Webinar	19 August 2021
Limited Liability Partnership (LLP) for Business and Tax Advantages Vehicles	Webinar	20 August 2021
ISQC 1 Versus ISQM 1	Webinar	26 August 2021
Asean Energy Awards Ceremony	Virtual Ceremony	8 September 2021
Audit Evidence and Sampling	Webinar	14 September 2021
Materiality – Determining Materiality in the Audit of Financial Statements	Webinar	21 September 2021 to 22 September 2021
MPERS – An Overview and Practical Approach	Webinar	23 September 2021 to 24 September 2021
A New Approach to Risk Assessment – ISA 315 (Revised 2019) (for All Audits of Financial Statements for Periods Beginning On or After 15 December 2021)	Webinar	14 October 2021



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### Intended Outcome 3.0

**The Board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.**

**The Board, Management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the Company.**

- 3.1 The Company had established the Code of Conduct and Ethics (“**CCE**”) that are applicable to all Directors, Management and employees of the Group, which set forth the ethical and professional standards of corporate and individual behaviour expected to enhance the standard of corporate governance and corporate behaviour. This includes areas concerning human rights, health and safety, environment, gifts and business courtesies, company records and internal controls, company’s assets, exclusive service, integrity and professionalism, personal appearance, confidential information and compliance obligations.

In compliance with the Malaysian Anti-Corruption Commission Act, the Company has also established and implemented an Anti-Bribery and Corruption Policy (“**ABC Policy**”), which governs the prevention of corruption and unethical practices within the Company.

The said CCE and ABC Policy are available on the Company’s website at <http://www.crbenv.com>.

- 3.2 The Board has adopted a Whistleblowing Policy to facilitate the whistleblower to report or disclose through established channels about any violations or wrongdoings they may observe in the Group without fear of retaliation should they act in good faith when reporting such concerns.

Only genuine concerns should be reported under the whistleblowing procedures. The report should be made in good faith with a reasonable belief that the information and any allegations made are substantially true and the report is not made for personal gain. Malicious and false allegations will be viewed seriously and treated as a gross misconduct and may lead to dismissal if proven.

## II. BOARD COMPOSITION

### Intended Outcome 4.0

**Board decisions are made objectively in the best interests of the Company taking into account diverse perspectives and insights.**

- 4.1 The Board currently comprises two (2) Executive Directors and four (4) INED. Such composition is able to provide an unbiased, independent and objective judgement to facilitate a balanced leadership in the Group as well as providing effective check and balance to safeguard the interest of the minority shareholders and other stakeholders, and ensuring high standards of conduct and integrity are maintained.
- 4.2 The NC had assessed the performance and independence of Dato’ Dr. Freezailah Bin Che Yeom, Encik Headir Bin Mahfidz, Encik Megat Abdul Munir Bin Megat Abdullah Rafaie and Datuk Abdul Malek Bin Abdul Aziz, who had served on the Board for more than nine (9) years as Independent Directors.

The Board, being satisfied with the justifications and criteria based on the recommendation of NC, shall be seeking the shareholders’ approval at this forthcoming AGM of the Company on the retention of their directorate as Independent Directors.

- 4.3 The Board has yet to adopt a policy which limits the tenure of its Independent Directors to nine (9) years in the Board Charter.
- 4.4 The Board recognises the benefits of having a diverse Board in order to offer greater depth and breadth to Board discussions and constructive debates at senior management level.

The Group is an equal opportunity employer and all appointments to the Board and employment of senior management are based on objective criteria, merit, skills and experience, and may not be driven by any age, cultural background or gender considerations.

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- 4.5 Currently, the Board does not have any formalised Board Diversity Policy or Gender Diversity Policy. Nonetheless, women representation on the Board and in senior management will be taken into consideration when vacancies arise and suitable candidates are identified, underpinned by the overriding primary aims of selecting the best candidate to support the achievement of the Company's strategic objectives.
- 4.6 The Board, together with the senior management would consider various sources, including independent sources if relevant, if it wishes to search for appropriate candidates to fulfil Board positions. The NC would assess their suitability based on the relevant criteria as may be identified by the NC from time to time.
- 4.7 The NC is chaired by Dato' Dr. Freezailah bin Che Yeom, who is a Senior Independent Director. He had led the annual review of Board effectiveness, ensuring that the performance of each individual Director is independently assessed and will lead the succession planning and appointment of future Board members.

### Intended Outcome 5.0

**Stakeholders are able to form an opinion on the overall effectiveness of the Board and individual Directors.**

- 5.1 During the FYE 2021, the Board, through the NC, has conducted the following annual assessments to determine the effectiveness of the Board, its Committees and each individual Director in the FYE 2020:
- (i) Directors' self/peer evaluation;
  - (ii) Board and Board Committee performance evaluation;
  - (iii) Board Skills Matrix;
  - (iv) AC members' peer evaluation; and
  - (v) Assessment of Independent Directors.

Based on the aforesaid evaluations conducted during the FYE 2021, the NC and the Board were satisfied with the performance of each Director, the Board as a whole, and the Board Committees.

## III. REMUNERATION

### Intended Outcome 6.0

**The level and composition of remuneration of Directors and Senior Management take into account the Company's desire to attract and retain the right talent in the Board and Senior Management to drive the Company's long-term objectives.**

**Remuneration policies and decisions are made through a transparent and independent process.**

- 6.1 The Board has in place Policies and Procedures to Determine the Remuneration of Directors and Senior Management that sets out the criteria to be used in recommending remuneration packages for the Executive Directors, Non-Executive Directors and any senior management personnel. The said Policy is available on the Company's website at <http://www.crbenv.com>.
- 6.2 Currently, the RC comprises two (2) INEDs and the Executive Chairman.

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### Intended Outcome 7.0

Stakeholders are able to assess whether the remuneration of Directors and Senior Management is commensurate with their individual performance, taking into consideration the Company's performance.

- 7.1 The breakdown of the remuneration of each individual Director from the Company (no other remuneration from the Group) for the FYE 2021 is as follows:

Name of Director	Directors' Fee (RM'000)	Salaries and Bonus (RM'000)	Defined Contribution Plan (RM'000)	Social Security Contribution (RM)
<b>Executive Director</b>				
Tan Sri Razali bin Ismail	–	2,303	276	829
Dato' Daud bin Ahmad	–	2,830	340	593
<b>Total</b>	<b>–</b>	<b>5,133</b>	<b>616</b>	<b>1,422</b>
<b>Non-Executive Directors</b>				
Dato' Dr. Freezailah bin Che Yeom	209	–	–	–
Datuk Abdul Malek bin Abdul Aziz	139	–	–	–
Encik Megat Abdul Munir bin Megat Abdullah Rafaie	167	–	–	–
Encik Headir bin Mahfidz	183	–	–	–
<b>Total</b>	<b>698</b>	<b>–</b>	<b>–</b>	<b>–</b>

- 7.2 The Board has opted not to disclose on a named basis the remuneration in the bands of RM50,000 for the top five (5) senior management for the best interest of the Group and also by virtue that the information is subject to the Personal Data Protection Act 2010, that requires written consent from the respective Senior Management personnel for disclosure of their personal data to the public at large. The Board also took into consideration the sensitivity, security, and issue of staff morale. Alternatively, the Group disclosed the top four (4) senior management's remuneration on an aggregate basis as follows:

	RM'000
Short term employee benefit	2,238
Defined contribution plan	268
Other benefits	5
Employees' Share Option Scheme	138

- 7.3 The detailed remuneration of each member of senior management on a named basis will not be disclosed for confidentiality purposes.



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### PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

#### I. AUDIT COMMITTEE

##### Intended Outcome 8.0

**There is an effective and independent AC.**

**The Board is able to objectively review the AC's findings and recommendations. The Company's financial statement is a reliable source of information.**

8.1 The AC is chaired by Dato' Dr. Freezailah bin Che Yeom, who is an INED, while the Chairman of the Board is Tan Sri Razali bin Ismail, a Non-Independent Executive Chairman. This had ensured that the objectivity of the Board's review of the AC's findings and recommendations is not impaired.

8.2 The AC has not adopted a policy that requires a former key audit partner to observe a cooling-off period of at least two (2) years before being appointed as a member of the AC.

Since none of the AC members were former key audit partners and the Board has no intention to appoint any former key audit partner as a member of the AC, this policy is not relevant at present.

8.3 The AC has in place procedures to continuously monitor and undertake an annual assessment of the suitability, objectivity and independence of the external auditors as well as to make subsequent recommendations to the Board on the appointment, re-appointment or termination of the external auditors in compliance with its TOR.

During the FYE 2021, no assessment on the suitability, objectivity and independence of the external auditors was conducted as Messrs. Mazars PLT had not sought for re-appointment at the Sixteenth AGM due to shortage of resources of the firm which might constrain the level of service required by the Group's growing businesses. The AC had, subsequent to the Sixteenth AGM, assessed the suitability, objectivity and independence of Messrs. Baker Tilly Monteiro Heng PLT ("**Baker Tilly**") as the new external auditors of the Group and the resolution for Baker Tilly's appointment as the new external auditors of the Company was tabled and approved by the shareholders during the Extraordinary General Meeting of the Company held on 15 September 2021.

8.4 The AC comprises solely Independent Directors.

8.5 The Board ensured that the AC as a whole is financially literate and has sufficient understanding of the Group's business and matters under the purview of the AC including the financial reporting process. The AC has reviewed and provided advice on the financial statements which provide a true and fair view of the Company's financial position and performance.

All members of the AC have also undertaken and will continue to undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules as and when required.

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### II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

#### Intended Outcome 9.0

**Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.**

**The Board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the Company's objectives is mitigated and managed.**

- 9.1 The Board, through the RMC, monitors risks and internal control.
- 9.2 The Board, through the RMC, monitors risks and internal control via an 'Enterprise Risk Management Continued Risk Identification Monitoring and Reporting to Risk Committee/Board', which is a comprehensive report tabling the current status, action taken and conclusion of the key risks identified in every quarter.
- 9.3 The RMC comprises three (3) INEDs.

#### Intended Outcome 10.0

**Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.**

- 10.1 The internal audit function of the Group is carried out by an outsourced professional service firm, namely Crowe Governance Sdn. Bhd. The outsourced Internal Auditors report directly to the AC and provide the Board with a reasonable assurance of adequacy of the scope, functions and resources of the internal audit function.

The internal audit function is independent and the internal audit assignments are performed with impartiality, proficiency and due professional care.

The internal audit review of the Group's operations encompasses an independent assessment of the Company's compliance with its internal controls and recommendations are made for further improvement.

During the FYE 2021, the AC had reviewed and assessed the adequacy of the scope, functions, competency and resources of the outsourced Internal Auditors and that they have the necessary authority to carry out their work.

- 10.2 The outsourced internal audit function is headed by Mr. Amos Law, who is a Certified Internal Auditor (CIA), Chartered Member of Malaysian Institute of Internal Audit (CMIIA), Accredited Internal Quality Assessor/Validator (IIA) and Certification in Risk Management Assurance (CRMA). A total of five (5) personnel are deployed by Crowe Governance Sdn. Bhd. for the internal audit works during the FYE 2021.

All the internal audit personnel involved are free from any relationships or conflicts of interest, which could impair their objectivity and independence. All the internal audit personnel are guided by International Professional Practices Framework issued by the Institute of Internal Auditors Malaysia in carrying out the internal audit function.

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### PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

#### I. COMMUNICATION WITH STAKEHOLDERS

##### Intended Outcome 11.0

**There is continuous communication between the Company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.**

**Stakeholders are able to make informed decisions with respect to the business of the Company, its policies on governance, the environment and social responsibility.**

11.1 The Board recognises the need for transparency and accountability to the Company's shareholders and regular communication with its shareholders, stakeholders and investors on the performance and major developments in the Company.

The Board ensures that there is effective, transparent and regular communication with its stakeholders through a variety of communication channels as follows:

(a) Announcements to Bursa Securities

Material information, updates and periodic financial reports are published on a timely basis through announcements to Bursa Securities.

Shareholders and investors can obtain the Company's latest announcements such as quarterly financial results in the dedicated website of Bursa Securities or at the Company's website at <http://www.crbenv.com>.

(b) Annual Reports

The Company's annual reports to the shareholders remain the central means of communicating to the shareholders, amongst others, the Company's operations, activities and performance for the past financial year end as well as the status of compliance with applicable rules and regulations.

(c) AGM/General Meetings

The AGM/general meetings are used as the main forum of dialogue for shareholders to seek and clarify any issues pertaining to the Company.

(d) Corporate Website

The Company's corporate website provides a myriad of relevant information on the Company and is accessible by the public.

(e) Investor Relations

Shareholders and other interested parties are welcome to contact the Company should they have any comments, questions or concerns, by writing in, via telephone or facsimile to the Company's general email address.

11.2 The Company is not categorised as a "Large Company" and hence, has not adopted integrated reporting based on a globally recognised framework.

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### II. CONDUCT OF GENERAL MEETINGS

#### Intended Outcome 12.0

**Shareholders are able to participate, engage the Board and Senior Management effectively and make informed voting decisions at general meetings.**

- 12.1 The AGM provides an opportunity for the shareholders to seek and clarify any issues pertaining to the Group and to have a better understanding of the Group's activities and performance. Both individuals and institutional shareholders are encouraged to meet and communicate with the Board at the AGM and to vote on all resolutions.

The Annual Report, which contains the Notice of Sixteenth AGM, was provided to shareholders at least twenty-eight (28) days prior to the date of the meeting to give sufficient time to shareholders to consider the resolutions that will be discussed and decided at the AGM. The Notice of AGM, which sets out the businesses to be transacted at the AGM, was also published in a major local newspaper.

The notes to the Notice of AGM also provide the necessary explanation for each resolution proposed to enable shareholders to make informed decisions in exercising their voting rights.

- 12.2 All the Directors of the Company attended the Sixteenth AGM and Extraordinary General Meeting ("**EGM**") of the Company held on 8 April 2021 and 15 September 2021 respectively on a fully virtual basis to engage with the shareholders proactively. In compliance with the MCGG, all the Directors of the Company will endeavour to attend all future general meetings and the Chair of the AC, RMC, NC and RC will provide meaningful response to questions addressed to them.
- 12.3 Shareholders who wish to attend AGM/general meetings are given at least twenty-eight (28) days, to ensure that shareholders are able to make the necessary arrangements to attend general meetings, review agenda items, and formulate questions, if any. Where they are not able to attend, they may appoint proxies to attend on their behalf to vote and represent them.

In view of the COVID-19 pandemic, the Company took the necessary precautions and preventive measures in complying with the directives issued by the Malaysian Ministry of Health. These include the option of remote shareholders' participation at the AGM and EGM.

At its fully virtual Sixteenth AGM and EGM, the Company had leveraged on technology to facilitate remote shareholders' participation and electronic voting for the conduct of poll on the resolution.

The Corporate Governance Overview Statement and the Corporate Governance Report are made in accordance with a resolution of the Board of Directors passed on 19 January 2022.



## STATEMENT OF DIRECTORS' RESPONSIBILITIES

Cypark Resources Berhad is required under Paragraph 15.26(a) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad to ensure that its Board of Directors make a statement explaining the Board of Directors' responsibility for preparing the annual audited financial statements.

The Group's consolidated annual audited financial statements for the financial year ended 31 October 2021 are drawn up in accordance with the applicable approved accounting standards in Malaysia and the Companies Act 2016 ("CA 2016") to give a true and fair view of the affairs of the Company and its Group. The Statement by the Directors pursuant to Section 251(2) of the CA 2016 is set out in the section headed "Statement by Directors" of the Directors' Report enclosed with the Group's consolidated annual audited financial statements for the financial year ended 31 October 2021.

In order to ensure that the financial statements are properly drawn up, the Board has taken the following measures:

- i. ensure the adoption of appropriate, adequate and applicable accounting standards and policies and applied them consistently;
- ii. ensured that applicable approved accounting standards have been followed;
- iii. where applicable, judgments and estimates are made on a reasonable and prudent basis; and
- iv. upon due inquiry into the state of affairs of the Company, there are no material matters that may affect the ability of the Company to continue in business on a going concern basis.

The Board has ensured that the quarterly reports and annual audited financial statements of the Group are released to Bursa Malaysia Securities Berhad in a timely manner in order to keep our investing public informed of the Group's latest performance and developments.

The Board has also ensured that the Company maintains accounting records that disclose with reasonable accuracy the financial position of the Company, and which enable the Board to ensure the financial statements comply with the CA 2016.

The Board has taken the necessary steps that are reasonably available to the Board to safeguard the assets of the Company, and to prevent and detect fraud and other irregularities.

# THE AUDIT COMMITTEE REPORT

The Audit Committee was established by the Board of Directors with the primary objective to assist the Board of Directors in fulfilling its fiduciary responsibilities relating to corporate governance, system of internal controls, risk management processes and management and financial reporting practices of the Group.

## Composition of the Audit Committee

- |    |   |  |
|----|---|--|
| 1. | Dato' Dr. Freezailah bin Che Yeom                 | Chairman, Independent Non-Executive Director |
| 2. | Encik Headir bin Mahfidz                          | Member, Independent Non-Executive Director   |
| 3. | Encik Megat Abdul Munir bin Megat Abdullah Rafaie | Member, Independent Non-Executive Director   |

## Number of Audit Committee Meetings and Details of Attendance

During the financial year ended 31 October 2021, the Audit Committee held a total of six (6) meetings. The details of the attendance of each Audit Committee member are as follows:

Audit Committee Members	No. of Meetings Attended
Dato' Dr. Freezailah bin Che Yeom	6 out of 6
Encik Headir bin Mahfidz	6 out of 6
Encik Megat Abdul Munir bin Megat Abdullah Rafaie	6 out of 6

## Summary of Work of the Audit Committee

During the financial year ended 31 October 2021, the Audit Committee has carried out the following work in accordance with its terms of reference to meet its responsibilities:

- a. reviewed the unaudited quarterly reports on the consolidated results of the Group for all the relevant financial quarters prior to recommending the same for the Board's approval;
- b. received the relevant business, financial and tax-related updates from management, including enquiring on management's plans and strategies;
- c. reviewed the recurrent related party transactions of a revenue or trading nature of the Group for all the relevant financial quarters;
- d. reviewed the procedure and processes to monitor, track and identify the recurrent related party transactions;
- e. reviewed the audited financial statements of the Group for the financial year ended 31 October 2020 prior to recommending the same for the Board's approval, taking into consideration also:-
  - i. changes in or implementation of any major accounting policies and practices;
  - ii. significant matters highlighted including financial reporting issues, significant judgements made by management, significant and unusual events or transactions, and how these matters are addressed;
  - iii. compliance with accounting standards, and regulatory, governance and other legal requirements; and
  - iv. major issues the external auditors raised, the going concern assumptions, issues, problems and reservations arising from the interim and final external audits;
- f. reviewed and discussed with the external auditors, the applicability and the impact of the new accounting standards and new financial reporting regime issued by the Malaysian Accounting Standards Board;

## THE AUDIT COMMITTEE REPORT

- g. reviewed the external audit reports and assessed the auditor's findings and management's responses thereto in respect of the audit for the financial year ended 31 October 2020;
- h. met twice with the external auditors without the presence of the executive directors and management during Audit Committee meetings to enquire on significant findings, fraud consideration, if any, and/or management cooperation level;
- i. reviewed and discussed the scope of work and audit plan in respect of the audit for the financial year ended 31 October 2021, including significant events during the year, significant risks, potential key audit matters and key audit areas;
- j. reviewed the internal audit reports presented on the state of internal control of the Group and steps taken by management in response to the audit findings;
- k. reviewed and approved the internal audit plan for the financial year ended 31 October 2021;
- l. reviewed and evaluated with the external and internal auditors, the adequacy of the internal control and risk management systems of the Group;
- m. reviewed the suitability, objectivity and independence of Messrs. Baker Tilly Monteiro Heng PLT as the new external auditors of the Company for the financial year ended 31 October 2021 to the Board of Directors for recommendation to the shareholders for approval;
- n. reviewed the audit fees prior to recommending the same for the Board's approval;
- o. assessed the adequacy of the scope, functions, competency and resources of the outsourced internal auditors and that they have the necessary authority to carry out their work;
- p. assessed the performance of the internal auditors;
- q. reviewed the Audit Committee Report and Statement on Risk Management and Internal Control for inclusion in the Company's 2020 Annual Report;
- r. reviewed the Circular to Shareholders in relation to the Proposed Renewal of Existing Shareholder Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature dated 26 February 2021;
- s. reviewed and confirmed the minutes of the Audit Committee meetings;
- t. reported to the Board on the proceedings of each Audit Committee meeting (through the Audit Committee Chairman); and
- u. verified the allocation of employees' share option scheme ("ESOS") in compliance with the criteria as stipulated in the by-laws of ESOS of the Company.

### Summary of Work of the Internal Audit Function

The Audit Committee had put emphasis on the importance of having an internal audit function within the Group and had outsourced its internal audit function to a professional service firm to assist the Board and the Audit Committee in providing independent assessment of the adequacy, efficiency and effectiveness of the Group's internal control systems. The costs incurred for maintaining the outsourced internal audit function for the financial year ended 31 October 2021 amounted to RM15,400.

A summary of the work of the internal audit function for the financial year ended 31 October 2021 is as follows:

- a. conducted an internal control review on the Project Management for the Ladang Tanah Merah Access Road in Port Dickson;
- b. conducted an internal control review on Human Resources and Payroll Processing;
- c. presented the internal audit findings and action plans to be taken by management to the Audit Committee; and
- d. conducted follow-ups on previous audits to ensure corrective actions had been taken and updating the Audit Committee on the same.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## Introduction

The Board of Directors (the “Board”) of Cypark Resources Berhad (the “Company” or “CRB”) is pleased to present its Statement on Risk Management and Internal Control which has been prepared pursuant to paragraph 15.26(b) of Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers (the “Guidelines”).

## Board Responsibility

The Board recognises the importance of sound risk management practices and internal controls to protect and enhance shareholders’ value and the asset of the Company and its subsidiaries (the “Group”). The Board acknowledges its responsibility and is committed in maintaining the Company’s risk management and system of internal control as well as reviewing its adequacy, integrity and effectiveness.

There are inherent limitations in any system of internal control and the system is designed to manage and mitigate the impact even though it may not be practicable to eliminate the risks that may impact the achievement of the Company’s business objectives. Therefore, the system of internal control can only provide reasonable but not absolute assurance against material misstatement or loss.

## Risk Management Framework and Key Features of Internal Control System

Risk management is firmly embedded in the Company’s management system as the Board firmly believes that risk management is critical for the Company’s sustainability and the enhancement of shareholder value. The Corporate Risk Register developed is continuously updated by key management and heads of department to manage identified risks within defined parameters and standards.

Apart from periodic management meetings, the Risk Management Committee had held four (4) meetings in the financial year ended 31 October 2021 to discuss key risks and the relevant mitigating controls on a quarterly basis. Risks are prioritised in terms of likelihood and impact on the achievement of the Company’s business objectives.

The risk management framework mentioned above serves as an on-going process to identify, evaluate and manage potential significant risks faced by the Company.

The key elements of the Group’s internal control system include:

- a. A clear and well-defined organisational structure taking into account the business and operational requirements of the core businesses of the Group which limits the respective levels of authority, accountability and responsibility of job functions and specifications;
- b. Documentation of standard operating procedures and ensuring that internal policies, processes and procedures are drawn-up, reviewed and revised as and when required and necessary;
- c. Regular operational and financial reporting to the Senior Management and/or the Board, highlighting their progress and variances from budgets. The Audit Committee and the Board review quarterly operational as well as financial results and reports;
- d. Group Management meetings are held regularly when necessary to raise issues, discuss, review and monitor the business development and resolve operational and management issues and review financial performances against the business plans, the targets and the budgets, if any, for each operating unit and regular visits by the Senior Personnel or Management team to each operating unit as and when necessary;
- e. Board and Audit Committee Meetings are scheduled regularly, that is at least four (4) times in a year and the respective meeting papers are distributed on a timely basis to enable members to have access to all relevant information for reviews and queries to be raised;
- f. Audit Committee reviews the quarterly financial results and yearly Audited Financial Statements prior to the approval of the Board;



## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

- g. Management ensures that safety regulations within the Group are being considered, implemented and adhered to accordingly;
- h. Staff training and development programs are regularly provided to equip staff with the appropriate knowledge and skills to enable staff to carry out their job functions productively and effectively;
- i. Major assets are insured to ensure that assets of the Group are sufficiently covered against mishap that may result in material losses to the Group;
- j. Regular visits to the project sites by the Senior Management;
- k. Close involvement of the Executive Directors of the Group in its daily operations;
- l. Established procedures for strategic planning and operations;
- m. Periodic audits by external parties to ensure compliance with the terms and conditions of the ISO 9001: 2015 certification; and
- n. Related party transactions are disclosed, reviewed and monitored by the Board on a periodic basis

### Internal Audit Function

The Group's internal audit function is outsourced to external consultants to assist the Board and the Audit Committee in providing an independent assessment on the adequacy, efficiency and effectiveness of the Group's internal control system. The internal audit function reports independently to the Audit Committee to preserve its objectivity.

During the financial year ended 31 October 2021, the internal audit function has conducted two (2) reviews on the business processes in accordance with the risk-based internal audit plan approved by the Audit Committee. The results of the internal audit review and where applicable, recommendations for improvement were presented at the scheduled Audit Committee meetings. The internal audit function has also performed follow-up audits to ensure that the appropriate corrective actions have been undertaken to address the control gaps highlighted. Based on the internal audit reviews conducted, none of the gaps noted have, in all material aspect, raises any material losses, contingencies or uncertainties that would require separate disclosure in this Annual Report.

### Review of the Statement by External Auditors

As required by paragraph 15.23 of MMLR of Bursa Securities, the external auditors have reviewed this statement for inclusion in the Annual Report of the Company for the financial year ended 31 October 2021 and have reported to the Board that nothing has come to their attention that cause them to believe that this Statement is inconsistent with their understanding of the process that the Board has adopted in the review of the adequacy and integrity of the systems of internal control of the Group.

Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagement to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants does not require the external auditors to consider whether this Statement covers all risks and controls, or to form an opinion on the effectiveness of the Group's risk and control procedures.

### Board Assessment

The Board is of the view that the Company's overall risk management and internal control system is operating adequately and effectively, in all material aspects, and has received the same assurance from both the Group Chief Executive Officer and Group Chief Financial Officer of the Company.

The Board confirms that the risk management process in identifying, evaluating and managing significant risks faced by the Company has been in place throughout the financial year ended 31 October 2021 up to the date of approval of this statement.

This statement is made in accordance with a resolution of the Board of Directors passed on 19 January 2022.

## ADDITIONAL COMPLIANCE INFORMATION

### Audit and Non-Audit Fees

For the financial year ended 31 October 2021, the amount of audit fees paid or payable by the Company and the Group to the external auditors are as follows:

	Company (RM)	Group (RM)
Audit fees	73,000	275,100
Non-audit fees	28,100	28,100

### Material Contracts Involving Directors' and Major Shareholders' Interests

There were no existing material contracts of the Company and its subsidiaries involving the interests of the Directors (including the Group Chief Executive Officer who is also a Director) or major shareholders, either still subsisting at the end of the financial year ended 31 October 2021 or entered into since the end of the previous financial year ended 31 October 2020.

### Material Properties

The Company and its subsidiaries presently do not own any properties.

### Recurrent Related Party Transactions ("RRPTs")

The aggregate value of the RRPTs conducted pursuant to the shareholder mandate during the financial year ended 31 October 2021 are set out below:

Type of RRPT	Name of Related party	Relationship with Related Party	Aggregate value of the RRPT during the financial year ended 31 October 2021 (RM)
Sub-contractor charges/fees for environmental/landscaping/waste management/renewable energy specialist and development works	CyEn Resources Sdn. Bhd.	Tan Sri Razali Bin Ismail, being the Director of the Company, and Dato' Daud Bin Ahmad, being the Director and Major Shareholder of the Company, are Directors and Substantial Shareholders of CyEn Resources Sdn. Bhd.	14,544,559

## ADDITIONAL COMPLIANCE INFORMATION

### Employees' Share Option Scheme ("ESOS")

The Group has one (1) ESOS in existence during the year ended 31 October 2021 and the said ESOS is governed by the By-Laws approved by the shareholders during the Tenth (10th) Annual General Meeting held on 21 April 2015. The said ESOS was extended for a further period from 19 October 2021 to 30 June 2022. The information in relation to the ESOS as at 31 October 2021 is as follows:

	Total Number	Aggregate for Directors*
Granted	71,959,500	34,200,000
Exercised	(38,429,500)	(10,625,000)
<b>Total options or shares outstanding as at 31 October 2021</b>	<b>33,530,000</b>	<b>23,575,000</b>

\* Includes the Group Chief Executive Officer, who is also a Director of the Company.

Granted to Directors and Senior Management	During the financial year	Since commencement up to 31 October 2021
Aggregate maximum allocation in percentage	N/A	N/A
Actual percentage granted	51.2%	82.8%

There were no new options granted pursuant to ESOS during the financial year ended 31 October 2021 to the Non-Executive Directors. The breakdown of the options exercised by the Non-Executive Directors pursuant to the ESOS in respect of the financial year ended 31 October 2021 was as follows:

Name of Directors	Amount of options granted	Amount of options exercised
1. Dato' Dr. Freezailah Bin Che Yeom	-	(525,000)
2. Datuk Abdul Malek Bin Abdul Aziz	-	(250,000)
3. Headir Bin Mahfidz	-	(525,000)
4. Megat Abdul Munir Bin Megat Abdullah Rafea	-	(525,000)

### Utilisation of Proceeds

#### (a) Perpetual Sukuk Musharakah

During the financial year ended 31 October 2021, Cypark Renewable Energy Sdn. Bhd. ("CRE"), a wholly-owned subsidiary of the Company had on 19 November 2020 and 30 December 2020 issued Tranche 1 - Series 3 and Tranche 1 - Series 4 of unrated Perpetual Islamic Notes amounting to RM30.25 million and RM15.40 million under the Perpetual Islamic Notes Programme of up to RM500.0 million in nominal value based on the Shariah Principle of Musharakah ("Perpetual Sukuk Musharakah"). On 22 February 2021, the subsidiary further issued Tranche 1 - Series 5 amounting to RM30.10 million. Following with that issuance, the subsidiary continued to issue another RM8.00 million (Tranche 1 - Series 6) and RM6.50 million (Tranche 1 - Series 7) on 12 April 2021 and 5 October 2021 respectively.

The proceeds raised from the issuance of Perpetual Sukuk Musharakah are being utilised to refinance the existing financing/ borrowings and to defray fees, cost and expenses in relation to the issuance of Perpetual Sukuk Musharakah and the establishment of Perpetual Sukuk Musharakah Programme. The balance of the proceed of the issuance of Perpetual Sukuk Musharakah will be utilised for the capital expenditure and the working capital on the on-going engineering, procurement, construction and commissioning ("EPCC") contracts for the RE projects.

## ADDITIONAL COMPLIANCE INFORMATION

### (b) Private Placement

During and subsequent to the financial year ended 31 October 2021, the Company successfully raised RM97,230,376 from the private placement of 104,998,290 new ordinary shares. The placement was done in five (5) tranches and the details are as follows:

- (i) Tranche 1 – 20,000,000 units of ordinary shares were issued at RM0.90 per share allotted on 6 August 2021 and listed on 11 August 2021
- (ii) Tranche 2 – 50,600,000 units of ordinary shares were issued at RM0.92 per share allotted on 20 September 2021 and listed on 22 September 2021
- (iii) Tranche 3 – 16,000,000 units of ordinary shares were issued at RM0.95 per share allotted on 27 October 2021 and listed on 29 October 2021
- (iv) Tranche 4 – 3,398,290 units of ordinary shares were issued at RM0.95 per share allotted on 29 November 2021 and listed on 1 December 2021
- (v) Tranche 5 – 15,000,000 units of ordinary shares were issued at RM0.95 per share allotted on 15 December 2021 and listed on 17 December 2021

The status of the utilisation of the proceeds is as follows:

Purpose	Proposed Utilisation RM	Actual Utilisation RM	Balance RM	Estimated Timeframe for Utilisation
Development cost for a solar power plant facility	96,000,000	62,000,000	34,000,000	Within 15 months
Partial repayment of bank borrowings	780,376	780,376	-	Fully utilised
Expenses on the private placement	450,000	450,000	-	Fully utilised
<b>Total</b>	<b>97,230,376</b>	<b>63,230,376</b>	<b>34,000,000</b>	



## Return on Investment

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### Performance Results by Year

Periods	Profit (M)
2010	11
2011	15
2012	9
2013	14
2014	21
2015	23
2016	17
2017	25
2018	30

### PROFIT



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# FINANCIAL STATEMENTS

# DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 October 2021.

## PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The Company and its subsidiaries are principally engaged in the business of renewable energy, construction and engineering, greentech and environment, waste management and waste-to-energy ("WTE"), investment holding and the provision of management services. The principal activities of its subsidiaries are disclosed in Note 8 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

## RESULTS

	Group RM'000	Company RM'000
Profit for the financial year, net of tax	75,254	44,312
Attributable to:		
Owners of the Company	75,414	44,312
Non-controlling interests	(160)	-
Profit for the year	75,254	44,312

## DIVIDENDS

Further to the approval of Dividend Reinvestment Scheme ("DRS") at the Tenth Annual General Meeting of the Company held on 21 April 2015, the shareholders had approved the renewal of authority for the issuance and allotment of new ordinary shares in the Company ("CRB Shares") for the purpose of DRS at the Annual General Meeting of the Company held on 8 April 2021.

The DRS provides an option to the shareholders to reinvest either all or a portion of the declared dividends in new shares in lieu of receiving cash. Shareholders who elect not to participate in the option to reinvest will receive the entire dividend in cash.

No dividend has been paid or declared by the Company since the end of the previous financial year.

The directors do not recommend the payment of any dividends in respect of the financial year ended 31 October 2021.

## RESERVES OR PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

## BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that there were no known bad debts and that no allowance for doubtful debts was required.

At the date of this report, the directors are not aware of any circumstances which would render it necessary to write off any bad debts or to make any allowance for doubtful debts in the financial statements of the Group and of the Company.

## DIRECTORS' REPORT

### CURRENT ASSETS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

### VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

### CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:

- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; and
- (ii) any contingent liabilities in respect of the Group or of the Company which has arisen since the end of the financial year.

In the opinion of the directors, no contingent or other liability of the Group or of the Company has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

### CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

### ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

- (i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

## DIRECTORS' REPORT

### ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company had increased the total number of its share capital from 480,257,053 ordinary shares to 578,061,453 ordinary shares by way of:

- (i) issuance of 11,204,400 new ordinary shares at an exercise price of RM0.595 per share pursuant to the exercise of options under the Employees' Share Option Scheme ("ESOS");
- (ii) issuance of 20,000,000 new ordinary shares through private placement exercise at an issue price of RM0.90 per ordinary share;
- (iii) issuance of 50,600,000 new ordinary shares through private placement exercise at an issue price of RM0.92 per ordinary share; and
- (iv) issuance of 16,000,000 new ordinary shares through private placement exercise at an issue price of RM0.95 per ordinary share.

The issuance through private placement exercise is for development cost for a solar power plant facility and partial repayment of bank borrowings.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

### EMPLOYEES' SHARE OPTION SCHEME

No options were granted to any person to take up the unissued shares of the Company during the financial year other than issue of options pursuant to ESOS of the Company.

The Company's ESOS is governed by the By-Laws which was approved by the shareholders at the Tenth Annual General Meeting held on 21 April 2015. The ESOS was implemented on 19 October 2015 and is in force for a period of 5 years from the date of implementation. On 9 October 2020, the Company announced that the Existing ESOS has been extended for a further period of 1 year from 19 October 2020 and will expire on 18 October 2021. On 9 July 2021, the Company announced that the existing ESOS has been further extended from 19 October 2021 and will expire on 30 June 2022.

Movements of the Company's ESOS during the financial year are as follows:

	At 1.11.2020	Number of option over ordinary shares			Expiry date
		Granted	Exercised	At 31.10.2021	
ESOS	35,784,400	8,950,000	(11,204,400)	33,530,000	30 June 2022

Details on the exercise price, exercise period, basis upon which the share options may be exercised and other information about the ESOS of the Company are set out in Note 17 to the financial statements.

### TREASURY SHARES

Treasury shares relate to ordinary shares of the Company that are repurchased and held by the Company in accordance with the requirement of Section 127 of the Companies Act 2016 in Malaysia.

There was no repurchase of the Company's issued ordinary shares, nor any resale, cancellation or distribution of treasury shares during the financial year.

As at 31 October 2021, the Company held 7,630,100 treasury shares out of its 578,061,453 issued and paid-up ordinary shares. Such treasury shares are held at a carrying amount of RM5,790,060. Further details are disclosed in Note 18 to the financial statements.



## DIRECTORS' REPORT

### DIRECTORS

The directors in office during the financial year and during the period from the end of the financial year to the date of this report are:

Tan Sri Razali bin Ismail \*  
 Dato' Daud bin Ahmad \*  
 Dato' Dr. Freezailah bin Che Yeom  
 Headir bin Mahfidz  
 Megat Abdul Munir bin Megat Abdullah Rafaie  
 Datuk Abdul Malek bin Abdul Aziz

\* These directors are also directors of the Company's subsidiaries.

The names of the Directors of subsidiaries are set out in the respective subsidiaries' financial statements and the information is deemed incorporated herein by such reference thereof.

No directors' remuneration was paid or payable by these subsidiaries during the financial year.

### DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

Interests in the Company	----- Number of ordinary shares -----			
	At 1.11.2020	Addition	Sold	At 31.10.2021
<u>Direct interest</u>				
Tan Sri Razali bin Ismail	35,841,820	3,000,000	(3,300,000)	35,541,820
Dato' Daud bin Ahmad	63,998,484	-	(4,992,600)	59,005,884
Dato' Dr. Freezailah bin Che Yeom	290,900	525,000	-	815,900
Headir bin Mahfidz	161,650	525,000	(300,000)	386,650
Megat Abdul Munir bin Megat Abdullah Rafaie	30,800	525,000	(100,000)	455,800
Datuk Abdul Malek bin Abdul Aziz	52,400	250,000	(90,000)	212,400

The following directors had interests in ESOS during the financial year as follows:

	----- Number of share options under the ESOS -----			
	At 1.11.2020	Granted	Exercised	At 31.10.2021
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	-	(250,000)	50,000

## DIRECTORS' REPORT

### DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable, by the directors as disclosed in Note 28 to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Neither during, nor at the end of the financial year, was the Company a party to any arrangements where the object is to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate, other than those arising from the share options granted under the ESOS.

### INDEMNITY TO DIRECTORS AND OFFICERS

During the financial year, the total amount of indemnity insurance coverage and insurance premium paid for the directors of the Company and subsidiaries and certain officers of the Company were RM15,000,000 and RM29,250 respectively.

### SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 8 to the financial statements.

### SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Details of significant events during and subsequent to the end of the financial year are disclosed in Note 36 to the financial statements.

### AUDITORS

The auditors, Messrs. Baker Tilly Monteiro Heng PLT, have expressed their willingness to continue in office.

The details of the auditors' remuneration are disclosed in Note 26 to the financial statements.

The Company has agreed to indemnify the auditors of the Company as agreed under the Indemnity Clause of the Letter of Engagement between the Company and Baker Tilly Monteiro Heng PLT dated 15 September 2021 and as permitted under Section 289 of the Companies Act 2016 in Malaysia.

This report was approved and signed on behalf of the Board of Directors in accordance with a resolution of the directors:

**TAN SRI RAZALI BIN ISMAIL**  
Director

**DATO' DAUD BIN AHMAD**  
Director

Kuala Lumpur  
Date: 19 January 2022

# STATEMENTS OF FINANCIAL POSITION

for the year ended 31 October 2021

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Plant and equipment	5	484,485	293,077	237	354
Right-of-use assets	6	5,946	6,771	-	-
Intangible assets	7	916,049	886,354	19,202	19,349
Investment in subsidiaries	8	-	-	46,151	46,151
Investment in an associate	9	3,273	3,432	-	-
Other investment	10	8,000	-	-	-
Deferred tax assets	11	10,210	3,694	77	47
Trade receivables	12	2,406	2,948	-	-
<b>Total non-current assets</b>		<b>1,430,369</b>	<b>1,196,276</b>	<b>65,667</b>	<b>65,901</b>
<b>Current assets</b>					
Trade and other receivables	12	192,888	116,736	550,186	468,327
Contract assets	13	826,298	702,103	79,050	79,378
Tax assets		1,794	7	-	-
Deposits, cash and bank balances	14	298,457	359,380	74,457	74,130
<b>Total current assets</b>		<b>1,319,437</b>	<b>1,178,226</b>	<b>703,693</b>	<b>621,835</b>
<b>TOTAL ASSETS</b>		<b>2,749,806</b>	<b>2,374,502</b>	<b>769,360</b>	<b>687,736</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the Company</b>					
Share capital	15	496,904	409,543	496,904	409,543
Reverse acquisition reserve	16	(36,700)	(36,700)	-	-
Employee share option reserve	17	2,338	3,011	2,338	3,011
Treasury shares	18	(5,790)	(5,790)	(5,790)	(5,790)
Retained earnings		523,410	460,611	109,384	65,436
		980,162	830,675	602,836	472,200
Perpetual sukuk	19	208,895	118,470	-	-
Non-controlling interests		1,477	1,392	-	-
<b>TOTAL EQUITY</b>		<b>1,190,534</b>	<b>950,537</b>	<b>602,836</b>	<b>472,200</b>
<b>Non-current liabilities</b>					
Loans and borrowings	20	1,099,486	986,068	-	-
Lease liabilities	21	5,882	6,625	-	-
Trade payables	22	42,690	31,983	-	-
Deferred tax liabilities	11	24,955	16,866	-	-
<b>Total non-current liabilities</b>		<b>1,173,013</b>	<b>1,041,542</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>					
Loans and borrowings	20	256,972	233,006	27,497	25,704
Lease liabilities	21	645	697	-	-
Trade and other payables	22	120,816	133,192	134,011	184,832
Tax liabilities		7,826	15,528	5,016	5,000
<b>Total current liabilities</b>		<b>386,259</b>	<b>382,423</b>	<b>166,524</b>	<b>215,536</b>
<b>TOTAL LIABILITIES</b>		<b>1,559,272</b>	<b>1,423,965</b>	<b>166,524</b>	<b>215,536</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,749,806</b>	<b>2,374,502</b>	<b>769,360</b>	<b>687,736</b>

The accompanying notes form an integral part of the financial statements

# STATEMENTS OF COMPREHENSIVE INCOME

for the year ended 31 October 2021

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Revenue from contracts with customers and other revenue	23	315,323	304,000	71,304	71,110
Cost of operations	24	(210,246)	(192,027)	(16,217)	(15,139)
<b>Gross profit</b>		105,077	111,973	55,087	55,971
Other income		3,235	5,326	720	1,090
Administrative and general expenses		(7,120)	(8,335)	(5,743)	(6,405)
Operating profit		101,192	108,964	50,064	50,656
Finance costs	25	(4,398)	(12,300)	(34)	(44)
Share of results of an associate		(159)	(43)	-	-
<b>Profit before tax</b>	26	96,635	96,621	50,030	50,612
Tax expense	29	(21,381)	(25,970)	(5,718)	(6,606)
<b>Profit for the financial year</b>		75,254	70,651	44,312	44,006
Other comprehensive income, net of tax		-	-	-	-
<b>Total comprehensive income for the financial year</b>		75,254	70,651	44,312	44,006
<b>Profit attributable to:</b>					
Owners of the Company		75,414	70,691	44,312	44,006
Non-controlling interests		(160)	(40)	-	-
		75,254	70,651	44,312	44,006
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		75,414	70,691	44,312	44,006
Non-controlling interests		(160)	(40)	-	-
		75,254	70,651	44,312	44,006
<b>Basic earnings per share (sen)</b>	30	12.85	14.94		
<b>Diluted earnings per share (sen)</b>	30	12.49	14.57		

The accompanying notes form an integral part of the financial statements



# STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 October 2021

Group	Attributable to owners of the Company									
	Share capital RM'000	Reverse acquisition reserve RM'000	Employee share option reserve RM'000	Treasury shares RM'000	Retained earnings RM'000	Total RM'000	Perpetual Sukuk RM'000	Non-controlling interests RM'000	Total equity RM'000	
<b>At 1 November 2020</b>	409,543	(36,700)	3,011	(5,790)	460,611	830,675	118,470	1,392	950,537	
<b>Total comprehensive income for the financial year</b>										
Profit for the financial year	-	-	-	-	75,414	75,414	-	(160)	75,254	
<b>Transactions with owners</b>										
Issuance of ordinary shares via:										
- Exercise of Employees' Share Option Scheme ("ESOS")	7,609	-	(942)	-	-	6,667	-	-	6,667	
- Private placement ESOS granted	79,752	-	-	-	(364)	79,388	-	-	79,388	
Non-controlling interests arising on acquisition of new subsidiaries	-	-	269	-	-	269	-	-	269	
Issuance of perpetual sukuk (net of expenses)	-	-	-	-	-	-	89,426	245	245	
Distribution to perpetual sukuk holders	-	-	-	-	(12,251)	(12,251)	999	-	89,426	
Total transactions with owners	87,361	-	(673)	-	(12,615)	74,073	90,425	245	164,743	
<b>At 31 October 2021</b>	496,904	(36,700)	2,338	(5,790)	523,410	980,162	208,895	1,477	1,190,534	
<b>At 1 November 2019</b>	400,839	(36,700)	1,981	-	391,063	757,183	-	(4)	757,179	
<b>Total comprehensive income for the financial year</b>										
Profit for the financial year, representing total comprehensive income	-	-	-	-	70,691	70,691	-	(40)	70,651	
<b>Transactions with owners</b>										
Issuance of ordinary shares pursuant to exercise of Employees' Share Option Scheme ("ESOS")	8,704	-	(1,078)	-	-	7,626	-	-	7,626	
ESOS granted	-	-	2,108	-	-	2,108	-	-	2,108	
Purchase of treasury shares	-	-	-	(5,790)	-	(5,790)	-	-	(5,790)	
Acquisition of a subsidiary	-	-	-	-	-	-	-	1,436	1,436	
Issuance of Perpetual Sukuk	-	-	-	-	-	-	117,327	-	117,327	
Distribution to Perpetual Sukuk holders	-	-	-	-	(1,143)	(1,143)	1,143	-	-	
Total transactions with owners	8,704	-	1,030	(5,790)	(1,143)	2,801	118,470	1,436	122,707	
<b>At 31 October 2020</b>	409,543	(36,700)	3,011	(5,790)	460,611	830,675	118,470	1,392	950,537	

## STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 October 2021

	Note	←----- Attributable to owners of the Company ----->				Total equity RM'000
		Share capital RM'000	Employee share option reserve RM'000	Treasury shares RM'000	Retained earnings RM'000	
<b>Company</b>						
<b>At 1 November 2020</b>		409,543	3,011	(5,790)	65,436	472,200
<b>Total comprehensive income for the financial year</b>						
Profit for the financial year, representing total comprehensive income		-	-	-	44,312	44,312
<b>Total transaction with owners</b>						
Issuance of ordinary shares pursuant to exercise of ESOS	15	7,609	(942)	-	-	6,667
Issuance of private placement	15	79,752	-	-	(364)	79,388
ESOS granted	17	-	269	-	-	269
		87,361	(673)	-	(364)	86,324
<b>At 31 October 2021</b>		496,904	2,338	(5,790)	109,384	602,836
<b>At 1 November 2019</b>						
<b>At 1 November 2019</b>		400,839	1,981	-	21,430	424,250
<b>Total comprehensive income for the year</b>						
Profit for the financial year, representing total comprehensive income		-	-	-	44,006	44,006
<b>Total transaction with owners</b>						
Issuance of ordinary shares pursuant to exercise of ESOS	15	8,704	(1,078)	-	-	7,626
ESOS granted	17	-	2,108	-	-	2,108
Purchase of treasury shares	18	-	-	(5,790)	-	(5,790)
		8,704	1,030	(5,790)	-	3,944
<b>At 31 October 2020</b>		409,543	3,011	(5,790)	65,436	472,200

The accompanying notes form an integral part of the financial statements

# STATEMENTS OF CASH FLOWS

for the year ended 31 October 2021

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
<b>Cash flows from operating activities</b>					
Profit before tax		96,635	96,621	50,030	50,612
Adjustments for:					
Amortisation of intangible assets		3,640	5,467	4,778	7,182
Depreciation of:					
- plant and equipment		8,043	8,073	136	102
- right-of-use assets		840	963	-	-
ESOS expenses		269	2,108	269	2,108
Accretion of interest on retention sums		-	(1,241)	-	(30)
Gain on disposal of right-of-use asset		(200)	-	(200)	-
Interest income		(2,801)	(3,739)	(713)	(972)
Interest expense		35,416	43,145	34	44
Share of results of an associate		159	43	-	-
Unrealised gain on foreign exchange		(2)	(1)	-	-
		45,364	54,818	4,304	8,434
<b>Operating profit before changes in working capital</b>					
		141,999	151,439	54,334	59,046
Changes in working capital:					
Contract assets		(124,195)	(162,939)	328	252
Trade and other receivables		(75,610)	(79,120)	(2,674)	(2,496)
Trade and other payables		(1,667)	(72,275)	(196)	(8,568)
		(201,472)	(314,334)	(2,542)	(10,812)
Net cash (used in)/generated from operations		(59,473)	(162,895)	51,792	48,234
Tax paid		(29,297)	(16,451)	(5,732)	(1,519)
Net cash (used in)/from operating activities		(88,770)	(179,346)	46,060	46,715
<b>Cash flows from investing activities</b>					
Additions to intangible assets		(12,911)	(3,636)	(4,631)	(5,015)
Additional investment in an associate		-	(364)	-	-
Additions to right-of-use assets		(15)	-	-	-
Advances to subsidiaries		-	-	(79,185)	(32,079)
Interests received		2,801	3,739	713	972
Issuance of ordinary shares to a non-controlling shareholder of a subsidiary		245	-	-	-
Net outflow from acquisition of a subsidiary	8(c)	-	(2,973)	-	-
Investment in Redeemable Convertible Unsecured Islamic Debt Securities		(8,000)	-	-	-
Withdrawal/(Placement) of short term deposits with licensed banks		2,561	(119)	-	-
Proceeds from disposal of right-of-use assets		200	-	200	-
Purchase of plant and equipment	5(a)	(199,451)	(89,375)	(19)	(328)
Net cash used in investing activities		(214,570)	(92,728)	(82,922)	(36,450)

## STATEMENTS OF CASH FLOWS

for the year ended 31 October 2021

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
<b>Cash flows from financing activities</b>	(b)				
Proceeds from exercise of ESOS		6,667	7,626	6,667	7,626
Proceeds from issuance of Perpetual Sukuk, net of expenses		89,425	117,327	-	-
Distribution to perpetual sukuk holders		(11,252)	-	-	-
Proceeds from issuance of private placements		79,752	-	79,752	-
Purchase of treasury shares		-	(5,790)	-	(5,790)
Share issuance expenses		(364)	-	(364)	-
Drawdown of term loans		139,506	73,398	-	-
Repayments of term loans		-	(116,619)	-	-
Interest paid		(55,840)	(56,877)	(34)	(44)
Net (repayments)/drawdown of other borrowings		(87)	85,040	1,793	5,615
Repayments of lease liabilities		(795)	(1,067)	-	-
Repayments to subsidiaries		-	-	(50,625)	(42,321)
<b>Net cash from/(used in) financing activities</b>		<b>247,012</b>	<b>103,038</b>	<b>37,189</b>	<b>(34,914)</b>
Net (decrease)/increase in cash and cash equivalents		(56,328)	(169,036)	327	(24,649)
<b>Cash and cash equivalents at the beginning of the financial year</b>		<b>350,800</b>	<b>519,836</b>	<b>74,130</b>	<b>98,779</b>
<b>Cash and cash equivalents at the end of the financial year</b>	14	<b>294,472</b>	<b>350,800</b>	<b>74,457</b>	<b>74,130</b>

Note:

In accordance with MFRS 107 Statement of Cash Flows, the below additional information is relevant to users in understanding the liquidity of the Group.

Contract assets of the Group include unbilled work performed of a wholly-owned subsidiary of the Company, for three solar photovoltaic power plant projects, which involve special financing arrangement and are payable on deferred payment arrangement over the next 22 years upon completion of the projects as disclosed in Note 13 and 33(b)(i) to the financial statements. These projects are financed by Islamic medium-term notes issued pursuant to Sri Sukuk Murabahah Programme ("Sukuk") of RM550.0 million in nominal value as disclosed in Note 20(b) to the financial statements. The proceeds of RM550.0 million were received during the financial year ended 31 October 2019.

The effect of the utilisation of the proceeds from Sukuk against the Group's net cash used in operating activities is as follows:

	Group	
	2021 RM'000	2020 RM'000
Net cash used in operating activities	(88,770)	(179,346)
Less:		
- utilisation of Sukuk proceeds	92,951	143,809
	<b>4,181</b>	<b>(35,537)</b>

**STATEMENTS OF CASH FLOWS**

for the year ended 31 October 2021

(a) Reconciliation of liabilities arising from financing activities:

	1.11.2020 RM'000	Cash flows RM'000		31.10.2021 RM'000
<b>Group</b>				
Lease liabilities	7,322	(795)		6,527
Loans and borrowings (excluding bank overdrafts)	1,214,005	139,419		1,353,424
	1,221,327	138,624		1,359,951
<b>Company</b>				
Amount due to subsidiaries	179,095	(50,625)		128,470
Loans and borrowings (excluding bank overdrafts)	25,704	1,793		27,497
	204,799	(48,832)		155,967
			<b>Non-cash Others</b>	
	<b>1.11.2019 RM'000</b>	<b>Cash flows RM'000</b>	<b>RM'000</b>	<b>31.10.2020 RM'000</b>
<b>Group</b>				
Lease liabilities	8,003	(1,067)	386	7,322
Loans and borrowings (excluding bank overdrafts)	1,171,262	41,819	924	1,214,005
	1,179,265	40,752	1,310	1,221,327
<b>Company</b>				
Amount due to subsidiaries	221,416	(42,321)	-	179,095
Loans and borrowings (excluding bank overdrafts)	20,089	5,615	-	25,704
	241,505	(36,706)	-	204,799

(b) Total cash outflows for leases as a lessee:

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
<b>Included in net cash from operating activities:</b>					
Payments relating to low value assets	26	334	333	11	1
Payments relating to short-term leases	26	1,235	889	113	105
<b>Included in net cash from financing activities:</b>					
Interest paid in relation to lease liabilities		423	462	-	-
Repayments of lease liabilities		795	1,067	-	-
<b>Total cash outflows for leases</b>		<b>2,787</b>	<b>2,751</b>	<b>124</b>	<b>106</b>

The accompanying notes form an integral part of the financial statements



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

## 1. CORPORATE INFORMATION

Cypark Resources Berhad (“the Company”) is a public limited company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur. The principal place of business is located at Unit 13A-09, Block A, Phileo Damansara II, No. 15, Jalan 16/11, 46350 Petaling Jaya, Selangor Darul Ehsan.

The principal activity of the Company is an investment holding company. The Company and its subsidiaries are principally engaged in the business of renewable energy, construction and engineering, greentech and environment, waste management and waste-to-energy (WTE), investment holding and the provision of management services.

The principal activities of its subsidiaries are disclosed in Note 8. There have been no significant changes in the nature of these activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 19 January 2022.

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

### 2.2 Adoption of amendments/improvements to MFRSs

The Group and the Company have adopted the following amendments/improvements to MFRSs for the current financial year:

#### Amendments/Improvements to MFRSs

MFRS 3	Business Combinations
MFRS 7	Financial Instruments: Disclosures
MFRS 9	Financial Instruments
MFRS 16	Leases*
MFRS 101	Presentation of Financial Statements
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
MFRS 139	Financial Instruments: Recognition and Measurement

\* Early adopted the amendments to MFRS 16 Leases issued by the Malaysian Accounting Standards Board (“MASB”) on 6 April 2021.

The adoption of the above amendments/improvements to MFRSs did not have any significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Group’s and the Company’s existing accounting policies.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 2. BASIS OF PREPARATION (continued)

#### 2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective

The Group and the Company have not adopted the following new MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective:

	Effective for financial periods beginning on or after
<u>New MFRS</u>	
MFRS 17 Insurance Contracts	1 January 2023
<u>Amendments/Improvements to MFRSs</u>	
MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards	1 January 2022 <sup>^</sup> /1 January 2023 <sup>#</sup>
MFRS 3 Business Combinations	1 January 2022/1 January 2023 <sup>#</sup>
MFRS 4 Insurance Contracts	1 January 2021
MFRS 5 Non-current Assets Held for Sale and Discontinued Operations	1 January 2023 <sup>#</sup>
MFRS 7 Financial Instruments: Disclosures	1 January 2021/1 January 2023 <sup>#</sup>
MFRS 9 Financial Instruments	1 January 2021/1 January 2022 <sup>^</sup> / 1 January 2023 <sup>#</sup>
MFRS 10 Consolidated Financial Statements	Deferred
MFRS 15 Revenue from Contracts with Customers	1 January 2023 <sup>#</sup>
MFRS 16 Leases	1 January 2021/1 January 2022 <sup>^</sup>
MFRS 17 Insurance Contracts	1 January 2023
MFRS 101 Presentation of Financial Statements	1 January 2023/1 January 2023 <sup>#</sup>
MFRS 107 Statements of Cash Flows	1 January 2023 <sup>#</sup>
MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
MFRS 112 Income Taxes	1 January 2023
MFRS 116 Property, Plant and Equipment	1 January 2022/1 January 2023 <sup>#</sup>
MFRS 119 Employee Benefits	1 January 2023 <sup>#</sup>
MFRS 128 Investments in Associates and Joint Ventures	Deferred/1 January 2023 <sup>#</sup>
MFRS 132 Financial Instruments: Presentation	1 January 2023 <sup>#</sup>
MFRS 136 Impairment of Assets	1 January 2023 <sup>#</sup>
MFRS 137 Provisions, Contingent Liabilities and Contingent Assets	1 January 2022/1 January 2023 <sup>#</sup>
MFRS 138 Intangible Assets	1 January 2023 <sup>#</sup>
MFRS 139 Financial Instruments: Recognition and Measurement	1 January 2021
MFRS 140 Investment Property	1 January 2023 <sup>#</sup>
MFRS 141 Agriculture	1 January 2022 <sup>^</sup>

<sup>^</sup> The Annual Improvements to MFRS Standards 2018-2020

<sup>#</sup> Amendments as to the consequence of effective of MFRS 17 Insurance Contracts

2.3.1 The Group and the Company plan to adopt the above applicable new MFRS and amendments/improvements to MFRSs when they become effective. The initial application of the applicable new MFRS and amendments/improvements to MFRSs is not expected to have material impact to the current and prior periods financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 2. BASIS OF PREPARATION (continued)

#### 2.4 Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency, and has been rounded to the nearest thousand, unless otherwise stated.

#### 2.5 Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis, except as otherwise disclosed in Note 3.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been applied consistently to all the financial years presented in the financial statements of the Group and of the Company.

#### 3.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. The financial statements of the subsidiaries and associates used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

##### (a) Subsidiaries and business combination

Subsidiaries are entities (including structured entities) over which the Group is exposed, or has rights, to variable returns from its involvement with the acquirees and has the ability to affect those returns through its power over the acquirees.

The financial statements of subsidiaries are included in the consolidated financial statements from the date the Group obtains control of the acquirees until the date the Group loses control of the acquirees.

The Group applies the acquisition method to account for business combinations from the acquisition date.

For a new acquisition, goodwill is initially measured at cost, being the excess of the following:

- the fair value of the consideration transferred, calculated as the sum of the acquisition-date fair value of assets transferred (including contingent consideration), the liabilities incurred to former owners of the acquiree and the equity instruments issued by the Group. Any amounts that relate to pre-existing relationships or other arrangements before or during the negotiations for the business combination, that are not part of the exchange for the acquiree, will be excluded from the business combination accounting and be accounted for separately; plus
- the recognised amount of any non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date (the choice of measurement basis is made on an acquisition-by-acquisition basis); plus
- if the business combination is achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree; less
- the net fair value of the identifiable assets acquired and the liabilities (including contingent liabilities) assumed at the acquisition date.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.1 Basis of consolidation (continued)

##### (a) Subsidiaries and business combination (continued)

The accounting policy for goodwill is set out in Note 3.6(c).

On 1 October 2006, the Company acquired Cypark Sdn. Bhd. ("CSB") for a consideration satisfied by the issuance of 80,000,000 shares of RM0.50 each to the vendors. In accordance to MFRS 3 Business Combinations, this transaction meets the criteria of a Reverse Acquisition. The consolidated financial statements have therefore been prepared under the reverse acquisition accounting method as set out by the said Standard, with CSB being treated as the accounting acquirer of the Company.

In accordance with the principles of reverse acquisition, the consolidated financial statements have been prepared as if it had been in existence in its current group form since 1 November 2005. The consolidated financial statements represent therefore a continuation of CSB's financial statements.

The key features of the basis of consolidation under reverse acquisition are as follows:

- The cost of the business combination is deemed to have been incurred by CSB in the form of equity instruments issued to the owners of the Company. CSB's shares were not listed prior to the acquisition and consequently the cost of the business combination has been based on the fair value of the Company's shares in issue immediately before the reverse acquisition;
- The assets and liabilities of CSB are recognised and measured in the consolidated financial statements at their pre-combination carrying amounts. The retained earnings and other equity balances recognised in the consolidated financial statements are those of CSB immediately before the business combination;
- CSB has been consolidated from the date of the reverse acquisition using the fair value of the identifiable assets, liabilities and contingent liabilities at that date. The cost of business combination was RM2 and therefore, goodwill of RM127,316 arose from the reverse acquisition; and
- The amount recognised as issued instruments in the consolidated financial statements is determined by adding the cost of business combination to the issued equity of CSB immediately before the business combination. However, the equity structure appearing in the consolidated financial statements is of the Company. Therefore, a reverse acquisition reserve of RM36,700,000 has been created, being the difference between the required Group's equity structure and the reported equity of the Company.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

If the business combination is achieved in stages, the Group remeasures the previously held equity interest in the acquiree to its acquisition-date fair value, and recognises the resulting gain or loss, if any, in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss or transferred directly to retained earnings on the same basis as would be required if the acquirer had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, the Group uses provisional fair value amounts for the items for which the accounting is incomplete. The provisional amounts are adjusted to reflect new information obtained about facts and circumstances that existed as of the acquisition date, including additional assets or liabilities identified in the measurement period. The measurement period for completion of the initial accounting ends as soon as the Group receives the information it was seeking about facts and circumstances or learns that more information is not obtainable, subject to the measurement period not exceeding one year from the acquisition date.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.1 Basis of consolidation (continued)

##### (a) Subsidiaries and business combination (continued)

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any gain or loss arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an associate, a joint venture or a financial asset.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The difference between the Group's share of net assets before and after the change, and the fair value of the consideration received or paid, is recognised directly in equity.

##### (b) Non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company and are presented separately in the consolidated statement of financial position within equity.

Losses attributable to the non-controlling interests are allocated to the non-controlling interests even if the losses exceed the non-controlling interests.

##### (c) Associates

Associates are entities over which the Group has significant influence, but not control, to the financial and operating policies.

Investment in associates are accounted for in the consolidated financial statements using the equity method.

Under the equity method, the investment in associates are initially recognised at cost. The cost of investment includes transaction costs. Subsequently, the carrying amount is adjusted to recognise changes in the Group's share of net assets of the associate.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When the Group's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not remeasured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

##### (d) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity-accounted associates and joint ventures are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.2 Separate financial statements

In the Company's statement of financial position, investment in subsidiaries is measured at cost less any accumulated impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs. The policy for the recognition and measurement of impairment losses shall be applied on the same basis as would be required for impairment of non-financial assets as disclosed in Note 3.9(b).

#### 3.3 Financial instruments

Financial instruments are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

Except for the trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the financial instruments are recognised initially at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset and financial liability. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price determined under MFRS 15 *Revenue from Contracts with Customers*.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract; it is a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured as fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with the policy applicable to the nature of the host contract.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

##### (a) Subsequent measurement

The Group and the Company categorise the financial instruments as follows:

##### (i) Financial assets

For the purposes of subsequent measurement, financial assets are classified in two categories:

- Financial assets at amortised cost
- Financial assets at fair value through profit or loss

The classification depends on the entity's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

The Group and the Company reclassify financial assets when and only when their business models for managing those assets change.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.3 Financial instruments (continued)

##### (a) Subsequent measurement (continued)

The Group and the Company categorise the financial instruments as follows: (continued)

##### (i) Financial assets (continued)

###### Debt instruments

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. The measurement category into which the Group and the Company classify their debt instruments:

- **Amortised cost**

Financial assets that are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.9(a). Gains and losses are recognised in profit or loss when the financial asset is derecognised, modified or impaired.

- **Fair value through profit or loss ("FVPL")**

Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statements of financial position at fair value with net changes in fair value recognised in the profit or loss.

##### (ii) Financial liabilities

The Group and the Company classify their financial liabilities at amortised cost.

Subsequent to initial recognition, all financial liabilities are measured at amortised cost using effective interest method. Gains and losses are recognised in profit or loss when the financial liabilities are derecognised and through the amortisation process.

##### (b) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the liability is measured at the higher of the amount of the loss allowance determined in accordance with Section 5.5 of MFRS 9 and the amount initially recognised, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.3 Financial instruments (continued)

##### (c) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting (i.e. the date the Group and the Company commit themselves to purchase or sell an asset).

Trade date accounting refers to:

- (i) the recognition of an asset to be received and the liability to pay for it on the trade date; and
- (ii) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Generally, interest does not start to accrue on the asset and corresponding liability until the settlement date when title passes.

##### (d) Derecognition

A financial asset or a part of it is derecognised when, and only when:

- (i) the contractual rights to receive cash flows from the financial asset expire, or
- (ii) the Group and the Company have transferred their rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party; and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

The Group and the Company evaluate if, and to what extent, they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of their continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

##### (e) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity shall not offset the transferred asset and the associated liability.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.4 Plant and equipment

##### (a) Recognition and measurement

Plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.9(b).

Cost of assets includes expenditures that are directly attributable to the acquisition of the asset and any other costs that are directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes cost of materials, direct labour, and any other direct attributable costs but excludes internal profits. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs in Note 3.15.

When significant parts of an item of plant and equipment have different useful lives, they are accounted for as separate items of plant and equipment.

##### (b) Subsequent costs

The cost of replacing a part of an item of plant and equipment, is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the part will flow to the Group or the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss as incurred.

##### (c) Depreciation

Assets under construction included in plant and equipment are not depreciated as these assets are not yet available for use.

All other property, plant and equipment are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

	Useful lives (years)
Machinery, furniture, and site equipment	5
Office equipment and renovation	5-10
Motor Vehicles	5
Computer and peripherals	3-5
Solar Plant	30

The residual values, useful lives and depreciation methods are reviewed at the end of each reporting period and adjusted as appropriate.

##### (d) Derecognition

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognised in profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.5 Leases

##### (a) Definition of lease

At inception of a contract, the Group and the Company assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group and the Company assess whether:

- the contract involves the use of an identified asset;
- the Group and the Company have the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group and the Company have the right to direct the use of the asset.

##### (b) Lessee accounting

At the lease commencement date, the Group and the Company recognise a right-of-use asset and a lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

The Group and the Company present right-of-use assets that do not meet the definition of investment property in Note 6 and lease liabilities in Note 21.

The Group and the Company present right-of-use assets and lease liabilities as separate lines in the statements of financial position.

##### Right-of-use asset

The right-of-use asset is initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the lease liabilities. The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. If expects to exercise a purchase option, the right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts from the commencement date of the underlying asset. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.9(b).



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.5 Leases (continued)

##### (b) Lessee accounting (continued)

###### Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group and the Company use their incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option, if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The Group and the Company remeasure the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Variable lease payments that do not depend on an index or a rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other expenses" in the statements of comprehensive income.

The Group and the Company have elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

###### Short-term leases and leases of low value assets

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low value assets. The Group and the Company recognise the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.6 Goodwill and other intangible assets

##### (a) Intangible asset recognised pursuant to IC Interpretation 12 *Service Concession Arrangements* ("IC 12")

Intangible asset comprising concession rights (intangible asset model, as defined in IC 12) is stated as cost less accumulated amortisation and impairment losses.

Intangible asset is not amortised during the year as the concession asset is still under construction. The amortisation begins when the concession asset is completed and ready for it to be capable of operating in the manner intended by management.

At end of each reporting period, the Group assesses whether there is any indication of impairment. If such indication exists, the carrying amount is assessed and written down immediately to its recoverable amount.

The intangible asset model, as defined in IC 12, applies to service concession arrangements where the grantor has not provided a contractual guarantee in respect of the amount receivable for constructing and operating the asset. Under this model, during construction or upgrade phase, the Group records an intangible asset representing the right to charge users of the public service and recognised profits from the construction or upgrade of the public service infrastructure. Income and expenses associated with construction contracts are recognised in accordance with MFRS 15 *Revenue from Contracts with Customers*.

Borrowing costs incurred in connection with an arrangement falling within the scope of IC 12 will be expensed as incurred, unless the Group recognises an intangible asset under the interpretation. In this case, borrowing costs are capitalised in accordance with the general rules of MFRS 123 *Borrowing Costs*.

##### (b) Development expenditure

Research expenditures are recognised in profit or loss as incurred.

An intangible asset arising from development is recognised when the following criteria are met:

- It is technically feasible to complete the intangible asset so that it will be available for use or sale;
- management intends to complete the intangible asset and use or sell it;
- there is an ability to use or sell the asset;
- it can be demonstrated how the intangible asset will generate probable future economic benefits;
- adequate resources to complete the development and to use or sell the intangible asset are available; and
- the expenditures attributable to the intangible asset during its development can be reliably measured.

Other development costs that do not meet these criteria are recognised in profit or loss as incurred. Development costs previously recognised as an expense are not recognised as an intangible asset in a subsequent period.

Capitalised development costs are measured at cost less accumulated amortisation and accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.9(b).

The development expenditure is amortised on a straight-line basis over its useful life ranging from two to three years from the point at which the asset is ready for sale or use. In the event that the expected future economic benefits are no longer probable of being recovered, the development expenditure is written down to its recoverable amount.

The amortisation method, useful lives and residual value are reviewed, and adjusted if appropriate, at the end of each reporting period.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.6 Goodwill and other intangible assets (continued)

##### (c) Goodwill

Goodwill arising from business combinations is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.9(b).

In respect of equity-accounted associates, goodwill is included in the carrying amount of the investment and is not tested for impairment individually. Instead, the entire carrying amount of the investment is tested for impairment as a single asset when there is objective evidence of impairment.

#### 3.7 Contract assets

Contract asset is the right to consideration for goods or services transferred to the customers when that right is conditioned on something other than the passage of time (for example, the Company's future performance). The policy for the recognition and measurement of impairment losses is in accordance with Note 3.9(a).

#### 3.8 Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash on hand, bank balances, deposits and other short-term, highly liquid investments with a maturity of three months or less, that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are presented net of bank overdrafts.

#### 3.9 Impairment of assets

##### (a) Impairment of financial assets and contract assets

Financial assets measured at amortised cost, contract assets and financial guarantee contracts will be subject to the impairment requirement in MFRS 9 *Financial Instruments* which is related to the accounting for expected credit losses on the financial assets. Expected credit losses are the weighted average of credit losses with the respective risks of a default occurring as the weights.

The Group and the Company measure loss allowance at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12-month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

For trade receivables and contract assets, the Group and the Company apply the simplified approach permitted by MFRS 9 to measure the loss allowance at an amount equal to lifetime expected credit losses.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward-looking information.

The Group and the Company assume that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.9 Impairment of assets (continued)

##### (a) Impairment of financial assets and contract assets (continued)

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

Expected credit losses are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

Expected credit losses are discounted at the effective interest rate of the financial assets.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default of past due event;
- the lender(s) of the debtor, for economic or contractual reasons relating to the debtor's financial difficulty, having granted to the debtor a concession(s) that the lender(s) would not otherwise consider; or
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation.

The amount of expected credit losses (or reversal) shall be recognised in profit or loss, as an impairment gain or loss.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or source of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedure for recovery of amounts due.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.9 Impairment of assets (continued)

##### (b) Impairment of non-financial assets

The carrying amounts of non-financial assets (except for inventories, contract assets and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Group and the Company make an estimate of the asset's recoverable amount. For goodwill and intangible assets that have indefinite useful life and are not yet available for use, the recoverable amount is estimated at each reporting date.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of non-financial assets or cash-generating units ("CGUs"). Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a CGU or a group of CGUs that are expected to benefit from the synergies of business combination.

The recoverable amount of an asset or a CGU is the higher of its fair value less costs of disposal and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining the fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where the carrying amount of an asset exceed its recoverable amount, the carrying amount of asset is reduced to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss, except for assets that were previously revalued with the revaluation surplus recognised in other comprehensive income. In the latter case, the impairment is recognised in other comprehensive income up to the amount of any previous revaluation.

Impairment losses in respect of goodwill are not reversed. For other assets, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. An impairment loss is reversed only if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. Reversal of impairment loss is restricted by the asset's carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.10 Share capital

##### (a) Ordinary shares

Ordinary shares are equity instruments. An equity instrument is a contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

##### (b) Sukuk Musharakah (“perpetual sukuk”)

Perpetual sukuk is classified as equity instruments as there is no contractual obligation to redeem the instrument. Cost directly attributable to the issuance of the instrument, net of tax, are treated as a deduction from the proceeds.

Perpetual sukuk holders’ entitlement is accounted for as a distribution recognised in the statement of changes in equity in the period in which it is declared.

##### (c) Treasury shares

When share capital recognised as equity is repurchased, the amount of consideration paid is recognised directly in equity. Repurchased shares that have not been cancelled including any attributable transaction costs are classified as treasury shares and presented as a deduction from total equity.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration and the carrying amount is presented as a movement in equity.

#### 3.11 Employee benefits

##### (a) Short-term employee benefits

Short-term employee benefit obligations in respect of wages, salaries, social security contributions, annual bonuses, paid annual leave, sick leave and non-monetary benefits are recognised as an expense in the financial year where the employees have rendered their services to the Group and the Company.

##### (b) Defined contribution plan

As required by law, the Group and the Company contribute to the Employees Provident Fund (“EPF”), the national defined contribution plan. Such contributions are recognised as an expense in the profit or loss in the period in which the employees render their services.

#### 3.12 Share-based payments

##### Equity-settled share-based payment

The cost of equity-settled share-based payment is determined by the fair value at the date when the grant is made using an appropriate valuation model. Details regarding the determination of the fair value of equity-settled share-based payments are set out in Note 17.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company’s estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the employee share option reserve.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.13 Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

If the effect of the time value of money is material, provisions that are determined based on the expected future cash flows to settle the obligation are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provisions due to passage of time is recognised as finance costs.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

#### 3.14 Revenue and other income

The Group and the Company recognise revenue that depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group and the Company expect to be entitled in exchange for those goods or services.

Revenue recognition of the Group and the Company are applied for each contract with a customer or a combination of contracts with the same customer (or related parties of the customer).

Revenue from sale of goods are recognised at a point in time when control of the products has been transferred, being when the customer accepts the delivery of the goods.

A receivable is recognised when the customer accepts the delivery of the goods as the consideration is unconditional other than the passage of time before the payment is due.

The Group and the Company measure revenue from sale of good or service at its transaction price, being the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring promised good or service to a customer, excluding amounts collected on behalf of third parties, adjusted for the effects of any variable consideration, constraining estimates of variable consideration, significant financing components, non-cash consideration and consideration payable to customer. If the transaction price includes variable consideration, the Group and the Company use the expected value method by estimating the sum of probability-weighted amounts in a range or possible consideration amounts, or the most likely outcome method, depending on which method the Group and the Company expect to better predict the amount of consideration to which it is entitled.

For contract with separate performance obligations, the transaction price is allocated to the separate performance obligations on the relative stand-alone selling price basis. If the stand-alone selling price is not directly observable, the Group and the Company estimate it by using the costs plus margin approach.

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer, i.e. when or as a performance obligation in the contract with customer is satisfied. A performance obligation is satisfied when or as the customer obtains control of the good or service underlying the particular performance obligation, which the performance obligation may be satisfied at a point in time or over time.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.14 Revenue and other income (continued)

##### 3.14.1 Renewable energy, construction and engineering, greentech and environment, waste management and WTE contracts

###### (a) Renewable energy, construction and engineering, waste management and WTE contract

The Group involves in the renewable energy, construction and engineering, waste management and WTE contracts with customers. Renewable energy, construction and engineering, waste management and WTE service contracts comprise multiple deliverables that require significant integration service and therefore accounted as a single performance obligation.

Under the terms of the contracts, control is transferred over time as the Group create or enhance an asset that the customer controls as the asset is created or enhanced. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of a performance obligation is determined by the proportion of construction costs incurred for work performed to date bear to the estimated total construction costs (an input method).

Sales are made with a credit term from 30 to 90 days, which is consistent with market practice, therefore, no element of financing is deemed present. The Group become entitled to invoice customers based on achieving a series of performance-related milestones.

The Group recognised a contract asset for any excess of revenue recognised to date over the billings-to-date. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point when invoice is issued or timing for billing is due to passage of time. If the milestone billing exceeds the revenue recognised to date and any deposit or advances received from customers then the Group recognise a contract liability for the difference.

The defect liability period of the Group is ranging between 12 to 36 months.

###### (b) Sale of electricity generated from renewable energy park

The performance obligation to deliver electricity is satisfied over time as the customers simultaneously received and consumed the benefits provided by the Group's performance. Hence, sale of electricity is recognised over time by the Group when electricity is consumed by customers. The revenue recognised is the amount to which the Group has a right to invoice as it corresponds directly with the value to the customer of the Group's performance that is completed to date. This revenue also includes an estimated value of the electricity delivered from the date of their last meter reading and period end.

###### (c) Greentech and environmental services

Revenue from a contract to provide services is recognised over time as the services are rendered because the customer receives and uses the benefits simultaneously. This is determined based on the time elapsed (output method).

###### (d) Sales of goods

Revenue from sales of goods is recognised at the point in time upon delivery of products and customer's acceptance.

###### (e) Tipping fees

Revenue from tipping fees is recognised at the point in time upon collection of waste pursuant to the relevant concession agreement.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.14 Revenue and other income (continued)

##### 3.14.2 Significant financing component in the contracts with customers

In determining the transaction price, the promised amount of consideration is adjusted for the effects of the time value of money if the timing of payments agreed to by the parties to the contract (either explicitly or implicitly) provides the customer or the entity with a significant benefit of financing the transfer of goods or services to the customer.

The Group has applied the practical expedient for not to adjust the promised amount of consideration for the effects of a significant financing components if the Group expects that the period between the transfer of the promised goods or services to the customer and payment by the customer will be one year or less.

##### 3.14.3 Management fees

Management fees is recognised at a point in time when services are rendered.

##### 3.14.4 Interest income

Interest income is recognised using the effective interest method.

##### 3.14.5 Dividend income

Dividend income is recognised when the right to receive payment is established.

#### 3.15 Borrowing costs

Borrowing costs are interests and other costs that the Group and the Company incur in connection with borrowing of funds.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily taking a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

The Group and the Company begin capitalising borrowing costs when the Group and the Company have incurred the expenditures for the asset, as well as the related borrowing costs and have undertaken activities that are necessary to prepare the asset for its intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

#### 3.16 Income tax

Income tax expense in profit or loss comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.16 Income tax (continued)

##### (a) Current tax

Current tax is the expected taxes payable or receivable on the taxable income or loss for the financial year, using the tax rates that have been enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

##### (b) Deferred tax

Deferred tax is recognised using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the statements of financial position. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unutilised tax losses and unused tax credits, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is not recognised if the temporary differences arise from the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal timing of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on the same taxable entity, or on different tax entities, but they intend to settle their income tax recoverable and income tax payable on a net basis or their tax assets and liabilities will be realised simultaneously.

##### (c) Sales and services tax

Revenue, expenses and assets are recognised net of the amount of sales and services tax except:

- where the sales and services tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales and services tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

The net amount of sales and services tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.17 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

#### 3.18 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The segment managers responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief operating decision maker that makes strategic decisions.

#### 3.19 Fair value measurements

Fair value of an asset or a liability is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For a non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

#### 3.20 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group and of the Company.

Contingent liability is also referred as a present obligation that arises from past events but is not recognised because:

- (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- (b) the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities and assets are not recognised in the statements of financial position.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Company's financial statements within the next financial year are disclosed as follows:

#### (a) Impairment of intangible assets

The Group tests concession asset and development expenditure not yet available for use for impairment in accordance with its accounting policy. The Group makes an estimate of concession asset's and development expenditure's recoverable amounts based on the value-in-use calculation using the cash flow projections from financial budgets approved by the directors covering the remaining period of the concession agreement and development expenditure.

Significant judgement is required in the estimation of the present value of future cash flows generated from the concession asset and development expenditure, which involve uncertainties and are significantly affected by assumptions used and judgement made regarding estimates of future cash flows and discount rate.

The carrying amounts of the intangible assets are disclosed in Note 7.

#### (b) Impairment of financial assets and contract assets

The impairment provisions for financial assets and contract assets are based on assumptions about risk of default and expected loss rate. The Group and the Company use judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Group's and the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The carrying amounts of financial assets and contract assets are disclosed in Notes 12 and 13.

#### (c) Revenue recognition for construction and engineering activities

The Group and the Company recognised construction and engineering activities revenue in profit or loss by using the progress towards complete satisfaction of performance obligation. The progress towards complete satisfaction of performance obligation is determined by the proportion that construction costs incurred for work performed to date bear to the estimated total construction costs.

Significant judgement is required in determining the progress towards complete satisfaction of performance obligation, the extent of the construction costs incurred, the estimated total construction revenue and costs, as well as the recoverability of the construction contracts projects. The estimated total revenue and costs are affected by a variety of uncertainties that depend on the outcome of future events.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 5. PLANT AND EQUIPMENT

	Note	Machinery, furniture and site equipment RM'000	Office equipment and renovation RM'000	Motor vehicles RM'000	Computer and peripherals RM'000	Solar Plant RM'000	Capital work-in-progress RM'000	Total RM'000
<b>Group</b>								
<b>2021</b>								
<b>Cost</b>								
At 1 November 2020		3,706	1,498	97	1,882	265,743	119,466	392,392
Additions		-	4	-	20	2,638	196,789	199,451
At 31 October 2021		3,706	1,502	97	1,902	268,381	316,255	591,843
<b>Accumulated depreciation</b>								
At 1 November 2020		2,868	1,088	97	1,645	93,617	-	99,315
Depreciation charge for the financial year	26	112	169	-	102	7,660	-	8,043
At 31 October 2021		2,980	1,257	97	1,747	101,277	-	107,358
<b>Carrying amount</b>								
At 31 October 2021		726	245	-	155	167,104	316,255	484,485
<b>2020</b>								
<b>Cost</b>								
At 1 November 2019		3,706	1,375	97	1,677	265,743	21,149	293,747
Acquisition of a subsidiary	8(c)	-	-	-	-	-	9,270	9,270
Additions		-	123	-	205	-	89,047	89,375
At 31 October 2020		3,706	1,498	97	1,882	265,743	119,466	392,392
<b>Accumulated depreciation</b>								
At 1 November 2019		2,739	921	97	1,572	85,913	-	91,242
Depreciation charge for the financial year	26	129	167	-	73	7,704	-	8,073
At 31 October 2020		2,868	1,088	97	1,645	93,617	-	99,315
<b>Carrying amount</b>								
At 31 October 2020		838	410	-	237	172,126	119,466	293,077

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 October 2021

**5. PLANT AND EQUIPMENT (continued)**

	Note	Office equipment and renovation RM'000	Motor vehicles RM'000	Computer and peripherals RM'000	Total RM'000
<b>Company</b>					
<b>2021</b>					
<b>Cost</b>					
At 1 November 2020		661	30	674	1,365
Additions		-	-	19	19
At 31 October 2021		661	30	693	1,384
<b>Accumulated depreciation</b>					
At 1 November 2020		529	30	452	1,011
Depreciation charge for the financial year	26	41	-	95	136
At 31 October 2021		570	30	547	1,147
<b>Carrying amount</b>					
At 31 October 2021		91	-	146	237
<b>2020</b>					
<b>Cost</b>					
At 1 November 2019		538	30	469	1,037
Additions		123	-	205	328
At 31 October 2020		661	30	674	1,365
<b>Accumulated depreciation</b>					
At 1 November 2019		495	30	384	909
Depreciation charge for the financial year	26	34	-	68	102
At 31 October 2020		529	30	452	1,011
<b>Carrying amount</b>					
At 31 October 2020		132	-	222	354

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 5. PLANT AND EQUIPMENT (continued)

(a) The additions of plant and equipment during the financial year are financed by:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash payments	199,451	89,375	19	328

(b) Certain capital work in-progress relates to expenditures for renewable energy plants in the course of construction, which has been pledged as security to secure the term loan as disclosed in Note 20(c).

(c) The Group's plant and equipment includes borrowing costs arising from bank loans borrowed specifically for the purpose of the construction of the plants. During the financial year, the borrowing costs capitalised in capital work-in-progress amounted to RM5,610,000 (2020: RM735,000).

### 6. RIGHT-OF-USE ASSETS

	Leasehold land RM'000	Motor vehicles RM'000	Total RM'000
<b>Group</b>			
<b>Cost</b>			
At 1 November 2019/ 31 October 2020	6,275	4,639	10,914
Additions	15	-	15
Disposals	-	(1,099)	(1,099)
At 31 October 2021	6,290	3,540	9,830
<b>Accumulated depreciation</b>			
At 1 November 2019	-	3,180	3,180
Depreciation charge for the financial year	26	538	963
At 31 October 2020	425	3,718	4,143
Depreciation charge for the financial year	26	417	840
Disposals	-	(1,099)	(1,099)
At 31 October 2021	848	3,036	3,884
<b>Carrying amount</b>			
At 31 October 2020	5,850	921	6,771
At 31 October 2021	5,442	504	5,946

(i) The Group leases several parcels of leasehold land with lease terms within 19 to 23 years as sites for its solar plant. The lessors generally do not impose any restrictions.

(ii) The Group also leases motor vehicles with lease term of 2 to 7 years and have options to purchase the assets at the end of the contract term.



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 7. INTANGIBLE ASSETS

	Intangible asset recognised pursuant to IC 12 RM'000	Development expenditure RM'000	Club membership RM'000	Goodwill RM'000	Total RM'000
<b>Group</b>					
<b>2021</b>					
<b>Cost</b>					
At 1 November 2019	847,645	23,682	170	462	871,959
Additions	23,523	3,635	-	-	27,158
At 31 October 2020	871,168	27,317	170	462	899,117
Additions	30,704	2,631	-	-	33,335
At 31 October 2021	901,872	29,948	170	462	932,452
<b>Accumulated amortisation</b>					
At 1 November 2019	-	7,296	-	-	7,296
Amortisation charge for the financial year	-	5,467	-	-	5,467
At 31 October 2020	-	12,763	-	-	12,763
Amortisation charge for the financial year	-	3,640	-	-	3,640
At 31 October 2021	-	16,403	-	-	16,403
<b>Carrying amount</b>					
At 31 October 2020	871,168	14,554	170	462	886,354
At 31 October 2021	901,872	13,545	170	462	916,049

	Company	
	2021 RM'000	2020 RM'000
<b>Development expenditure</b>		
<b>Cost</b>		
At beginning of the financial year	36,118	31,103
Additions	4,631	5,015
At end of the financial year	40,749	36,118
<b>Accumulated amortisation</b>		
At beginning of the financial year	16,769	9,587
Amortisation charge for the financial year	4,778	7,182
At end of the financial year	21,547	16,769
<b>Carrying amount</b>		
At end of the financial year	19,202	19,349

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 7. INTANGIBLE ASSETS (continued)

#### (a) Intangible asset recognised pursuant to IC 12

On 9 November 2015, a wholly-owned subsidiary of the Company, Cypark Smart Technology Sdn. Bhd. ("CST") entered into a Concession Agreement ("CA") with the Solid Waste and Public Cleansing Management Corporation and the Government of Malaysia, which was represented by the Ministry of Housing and Local Government.

Pursuant to the Solid Waste and Public Cleansing Management Act 2007 (Act 672) and on a Public Private Partnership basis, the Government awarded to CST, the rights to undertake the design, construction, maintenance, operation and management of Solid Waste Modular Advanced Recovery and Treatment Systems incorporating Waste-to-Energy system (the "SMART WTE System") at Ladang Tanah Merah, Negeri Sembilan under Build-Operate-Manage-Transfer concept for a period of 25 years, subject to the terms and conditions of the CA.

The SMART WTE System entails SMART WTE technology and design which utilises 100% clean technology concepts and system to produce renewable source for the production of renewable energy. The system consists of the following:

- Waste Receiving Facility
- Waste Segregation Facility
- Waste Recycling Facility
- Waste to Energy Plant
- Fully Anaerobic Bioreactor System
- Sanitary Landfill

Under the CA, the Government shall deliver the municipal waste from designated scheme areas to CST for treatment and disposal at the SMART WTE System. CST is entitled to be paid an agreed fee as defined in the CA known as tipping fees. CST shall also be generating revenue from sales of electricity for converting the waste to clean renewable energy under the Sustainable Energy Development Authority Malaysia ("SEDA") Act. CST has successfully secured the Feed-in Tariff ("FiT") quota to supply 25MW renewable energy from waste to energy source by SEDA pursuant to Section 7 of the Renewable Energy Act 2011.

Intangible asset represents fair value of the consideration receivable for the construction of the SMART WTE System during the construction stage on a mark-up basis of the cost incurred in connection with the CA.

As the concession asset is still under construction, hence the intangible asset is not amortised until it is complete or ready for it to be capable of operating in the manner intended by management.

The recoverable amount has been determined based on value in use using cash flows projections covering a period of 20 years (2020: 21 years) from financial budgets approved by the directors.

The Group applies pre-tax discount rate of 8% (2020: 5%) to the relevant future cash flows.

During the financial year, the borrowing costs capitalised in the intangible asset amounted to RM20,424,000 (2020: RM23,523,000).

The intangible asset is pledged as a security for the borrowings as disclosed in Note 20.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 7. INTANGIBLE ASSETS (continued)

#### (b) Development expenditure

Development expenditure comprises of expenditures incurred on designing and testing of new or substantially improved products and processes relating to the use of a special technique and design of tools in renewable energy industry. Management believes that it will increase the yield and profit streams principally from renewable energy segment where it can be reasonably anticipated that the costs will be recovered through commercialisation, sale and marketing of all the resulting products or services from the development.

The useful life of completed development projects ranged between two to three years. The amortisation of development expenditure is included in cost of sales.

The Group believes that any possible change in the above key assumptions applied is not likely to materially cause recoverable amount to be lower than the carrying amount.

The Group applies pre-tax discount rate of 10% (2020: 9%) to the relevant future cash flows.

#### (c) Goodwill

Goodwill arises from the reverse acquisition of the Company and also the business combination of certain subsidiaries in renewable energy segment. Goodwill is allocated, at acquisition date, to CGU that are expected to benefit from that business combination.

The Group tests the goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

##### (i) Goodwill arises from reverse acquisition

The recoverable amount of this goodwill has been determined based on value in use calculation using cash flow projections from financial budgets approved by the directors covering a five-year period.

##### (ii) Goodwill allocated to subsidiaries in sale of renewable energy segment

The recoverable amount of this goodwill has been determined based on value in use calculation using cash flow projections covering a period of 19 to 20 years (2020: 20 to 21 years) from financial budgets approved by the directors.

The Group believes that any possible change in the above key assumptions applied is not likely to materially cause recoverable amount to be lower than its carrying amount.

The Group applies pre-tax discount rate of 10% (2020: 9%) to the relevant future cash flows.

### 8. INVESTMENT IN SUBSIDIARIES

	Company	
	2021 RM'000	2020 RM'000
Unquoted shares, at cost	46,151	46,151

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 8. INVESTMENT IN SUBSIDIARIES (continued)

Details of the subsidiaries, all incorporated in Malaysia and having principal place of business in Malaysia, are as follows:

Name of company	Principal activities	Effective equity interest	
		2021	2020
Cypark Sdn. Bhd.	Landscape specialist that offers integrated turnkey contract services, management services, planning and design services for external built environment and landscape maintenance services, project management services and infrastructure developments	100%	100%
Cypark Renewable Energy Sdn. Bhd.	Investment holding and renewable energy specialist that offers environmental engineering and integrated turnkey contract services, management services and planning and design services	100%	100%
Cypark Smart Resources Sdn. Bhd.	Investment holding	100%	100%
Cypark FMS Sdn. Bhd.*	Investment holding	100%	100%
Cypark Green Tech Sdn. Bhd.*	Investment holding	100%	100%
Cypark Green Resources Sdn. Bhd.	Investment holding	100%	-
Cypark PDT Smart WTE (Bukit Payong) Sdn. Bhd.**	Dormant	80%	-
Cypark Suria Merchang Sdn. Bhd.	Renewable energy	70%	70%
Forenergy Sdn. Bhd.*	Dormant	100%	100%
<b>Subsidiaries of Cypark Renewable Energy Sdn. Bhd.</b>			
Kenari Pasifik Sdn. Bhd.**	Investment holding	-	-
Tiara Insight Sdn. Bhd.**	Investment holding	-	-
Semangat Sarjana Sdn. Bhd.**	Investment holding	-	-
Cypark Suria (Negeri Sembilan) Sdn. Bhd.	Investment holding	100%	100%
Cypark Ref Sdn. Bhd.	Renewable energy and solar business	100%	100%
Cypark Suria (Sua Betong) Sdn. Bhd.	Dormant	100%	100%
<b>Subsidiaries of Cypark Suria (Negeri Sembilan) Sdn. Bhd.</b>			
Cypark Suria (Pajam) Sdn. Bhd.	Renewable energy	100%	100%
Cypark Suria (Kuala Sawah) Sdn. Bhd.	Renewable energy	100%	100%
Cypark Suria (Bukit Palong) Sdn. Bhd.	Dormant	100%	100%

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 8. INVESTMENT IN SUBSIDIARIES (continued)

The subsidiaries, all incorporated in Malaysia and having principal place of business in Malaysia, are as follows: (continued)

Name of company	Principal activities	Effective equity interest	
		2021	2020
<b>Subsidiary of Kenari Pasifik Sdn. Bhd.:</b>			
Gaya Dunia Sdn. Bhd.*#	Renewable energy	-	-
<b>Subsidiary of Tiara Insight Sdn. Bhd.:</b>			
Rentak Raya Sdn. Bhd.*#	Renewable energy	-	-
<b>Subsidiary of Semangat Sarjana Sdn. Bhd.:</b>			
Ambang Fiesta Sdn. Bhd.*#	Renewable energy	-	-
<b>Subsidiary of Cypark Smart Resources Sdn. Bhd.:</b>			
Cypark Smart Technology Holdings Sdn. Bhd.	Investment holding	100%	100%
<b>Subsidiary of Cypark Smart Technology Holdings Sdn. Bhd.:</b>			
Cypark Smart Technology (NS) Sdn. Bhd.	Investment holding	100%	100%
<b>Subsidiary of Cypark Smart Technology (NS) Sdn. Bhd.:</b>			
Cypark Smart Technology Sdn. Bhd.	Waste management facilities	100%	100%
<b>Subsidiary of Cypark FMS Sdn. Bhd.:</b>			
Aomori Kogaku Sdn. Bhd.*	Dormant	70%	70%
<b>Subsidiaries of Cypark Green Tech Sdn. Bhd.:</b>			
Reviva Sdn. Bhd.*	Investment holding	100%	100%
Cypark RE Store Sdn. Bhd.*	Dormant	100%	100%
<b>Subsidiaries of Reviva Sdn. Bhd.:</b>			
BAC Biogas (Kg Gajah) Sdn. Bhd.***	Renewable energy	51%	51%
Reviva Bacre (Ulu Remis) Sdn. Bhd.**	Renewable energy	51%	-

\* Audited by auditors other than Baker Tilly Monteiro Heng PLT.

\*\* Subsidiary is consolidated based on management accounts for the financial year ended 31 October 2021.

\*\*\* Subsidiary is consolidated based on management accounts for the financial year ended 31 October 2021. The statutory financial year end of a newly acquired subsidiary was 31 December and it did not coincide with the Group. The newly acquired subsidiary is audited by a firm other than Baker Tilly Monteiro Heng PLT.

# Refer to Note 8(a)

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 8. INVESTMENT IN SUBSIDIARIES (continued)

#### (a) Business combination

On 30 April 2013, the wholly owned subsidiary of the Company, Cypark Renewable Energy Sdn. Bhd. (“CRE”) has entered into three management service agreements with three group of companies as follows:-

- (i) Kenari Pasifik Sdn. Bhd. together with its wholly owned subsidiary, Gaya Dunia Sdn. Bhd.
- (ii) Tiara Insight Sdn. Bhd. together with its wholly owned subsidiary, Rentak Raya Sdn. Bhd.
- (iii) Semangat Sarjana Sdn. Bhd. together with its wholly owned subsidiary, Ambang Fiesta Sdn. Bhd.

The Group does not hold any ownership in these three group of companies. However, based on the agreements entered, the Group has control over the financial and operating policies of these entities and receives substantially all of the benefits related to their operations and net assets. Consequently, the Group consolidates these six companies as subsidiaries.

#### (b) Non-controlling interests in subsidiaries

The Group has assessed the non-controlling interests in the subsidiaries of the Group and has determined that the non-controlling interests are not material to the Group’s financial position.

#### (c) Acquisition of subsidiaries

##### 2021

- (i) On 25 March 2021, Reviva BACRE (Ulu Remis) Sdn. Bhd. (“RBACRE”) was incorporated as a special purpose vehicle and Reviva Sdn. Bhd. (“Reviva”), a wholly owned subsidiary of the Company subscribed for 510 ordinary shares fully paid up in the capital of RBACRE representing 51% of the equity interest for a total consideration of RM510. The remaining 49% ordinary shares of RBACRE are owned by BAC Renewable Energy Sdn. Bhd. (“BACRE”). RBACRE was incorporated to facilitate Reviva and BACRE in the development of Biogas project at Ulu Remis Palm Oil Mill.

On 13 August 2021, Reviva subscribed additional 254,490 ordinary shares fully paid up in the capital of RBACRE representing 51% of the equity interest at a total consideration of RM254,490. The remaining 49% ordinary shares of RBACRE are owned by BACRE.

- (ii) On 19 April 2021, Cypark PDT Smart WTE (Bukit Payong) Sdn. Bhd. (“CPDT”) was incorporated as a special purpose vehicle and the Company subscribed for 80 ordinary shares fully paid up in the capital of CPDT representing 80% of the equity interest for a total consideration of RM80. The remaining 20% ordinary shares of CPDT are owned by Permodalan Darul Ta’zim Sdn. Bhd. (“PDT”). CPDT was incorporated to facilitate CRB and PDT in the tendering for Waste-to-Energy facility at Bukit Payong, Johor.

#### (c) Acquisition of subsidiaries

##### 2020

- (i) On 24 January 2020, the Company incorporated Cypark Green Resources Sdn. Bhd. (“CGRSB”) and subscribed one hundred (100) ordinary shares in CGRSB, representing the entire issued and paid-up share capital of CGRSB for a total consideration of RM100.
- (ii) On 24 January 2020, the Company acquired seventy (70) ordinary shares in Cypark Suria Merchang Sdn. Bhd. (“CSMSB”), representing the entire issued and paid-up share capital of CSMSB for a total consideration of RM70.



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 8. INVESTMENT IN SUBSIDIARIES (continued)

#### (c) Acquisition of subsidiaries (continued)

##### 2020 (continued)

- (iii) On 28 May 2020, an indirectly wholly owned subsidiary of the Company, Reviva Sdn. Bhd. ("Reviva") acquired fifty-one (51) ordinary shares in BAC Biogas (Kg Gajah) Sdn. Bhd. ("BAC Biogas"), representing 51% of the issued and paid-up share capital of BAC Biogas for a total consideration of RM6,000,000.

The initial accounting for business combination of BAC Biogas in the consolidated financial statements of the Company involves identifying and determining the fair values to be assigned to BAC Biogas's identified assets, liabilities and the cost of the combination. As at the date of the financial statements, authorised for issue, the fair value of BAC Biogas's identified assets and liabilities could only be determined provisionally pending the completion of the purchase price allocation ("PPA"). The business combination of BAC Biogas have been accounted for using provisional values. During the financial year, the Group had completed the PPA and the acquisition of BAC Biogas is an acquisition of asset and not a business as identified in MFRS 3 *Business Combinations*. Since the capital work-in-progress is the only identifiable asset of BAC Biogas as it is the sole intention Reviva acquired BAC Biogas, the entire cost of the purchase shall be allocated to the capital work-in-progress.

The fair value of the identifiable assets and liabilities as at the date of acquisition were as follows:

	Note	As previously stated RM'000	Restatement RM'000	As restated RM'000
<b>Assets</b>				
Capital work-in-progress	5	4,765	4,505	9,270
Other receivables and deposits		249	-	249
Cash and bank balances		27	-	27
		5,041	4,505	9,546
<b>Liabilities</b>				
Other payables and accruals		(2,110)	-	(2,110)
<b>Total identifiable net assets acquired</b>		2,931	4,505	7,436
Provisional goodwill	7	4,505	(4,505)	-
Non-controlling interest		(1,436)	-	(1,436)
Fair value of consideration transferred		6,000	-	6,000
<b>Assets</b>				
Plant and equipment	5	288,572	4,505	293,077

Effects of acquisition on cash flows:

	2020 RM'000
Consideration paid in cash	3,000
Less: Cash and bank balances of subsidiary acquired	(27)
Net cash outflow on acquisition	2,973

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 9. INVESTMENT IN AN ASSOCIATE

	Group	
	2021 RM'000	2020 RM'000
Unquoted shares, at cost	3,364	3,364
Share of post-acquisition reserves	(91)	68
	3,273	3,432

Details of the associate, which is incorporated in Malaysia are as follows:

Name of company	Principal activities	Effective equity interest	
		2021	2020
<b>Associate of Reviva Sdn. Bhd.</b>			
BAC Biomass Sdn. Bhd.	Design, develop, operate and maintain biomass based renewable energy facilities	40%	40%

The summarised financial information of the associate is not disclosed as the financial effect is immaterial to the Group.

### 10. OTHER INVESTMENT

	Group	
	2021 RM'000	2020 RM'000
<b>Financial asset at fair value through profit or loss ("FVPL")</b>		
At fair value:		
- Redeemable Convertible Unsecured Islamic Debt Security	8,000	-

The debt instrument entitled for profit distribution on a fixed profit rate as follows:

Calendar year	Fixed profit rate (% per annum)
2021 - 2032	23.5
2033	12.5
2034 - 2037	5.0

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 11. DEFERRED TAX ASSETS/(LIABILITIES)

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
<b>Deferred tax assets/(liabilities)</b>				
At beginning of the financial year	(13,172)	(10,953)	47	34
Recognised in profit or loss (Note 29)	(1,573)	(2,219)	30	13
At end of the financial year	(14,745)	(13,172)	77	47

(a) Presented after appropriate offsetting as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Deferred tax assets	10,210	3,694	77	70
Deferred tax liabilities	(24,955)	(16,866)	-	(23)
	(14,745)	(13,172)	77	47

(b) The components of deferred tax assets/(liabilities) prior to offsetting are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
<b>Deferred tax assets</b>				
Provision	108	108	66	70
Unutilised tax losses	29,487	21,811	-	-
Unabsorbed capital allowances	12,618	32,546	-	-
Unabsorbed investment tax allowances	6,370	7,935	-	-
Differences between the carrying amount of property, plant and equipment and their tax bases	-	-	11	-
	48,583	62,400	77	70
<b>Deferred tax liabilities</b>				
Differences between the carrying amount of property, plant and equipment and their tax bases	(8,887)	(36,870)	-	(23)
Borrowing cost capitalised	(34,274)	(25,821)	-	-
Contract assets	(20,167)	(9,645)	-	-
Lease liabilities	-	(22)	-	-
Borrowings	-	(3,214)	-	-
	(63,328)	(75,572)	-	(23)
	(14,745)	(13,172)	77	47

The deferred tax assets and liabilities are not available for set-off as they arise from different taxable entities within the Group.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 11. DEFERRED TAX ASSETS/(LIABILITIES) (continued)

#### Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	Group	
	2021	2020
	RM'000	RM'000
<b>Deferred tax assets</b>		
Provision	201	140
Unutilised business losses	71	71
Unabsorbed investment tax allowances	212,201	224,442
	212,473	224,653

The availability of unused tax losses for offsetting against future taxable profits of the respective subsidiaries in Malaysia are subject to requirements under the Income Tax Act, 1967 and guidelines issued by the tax authority.

The unutilised business losses are available for offset against future taxable profits of the Group which will expire in the following financial year:

	Group	
	2021	2020
	RM'000	RM'000
2025	71	71

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 12. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
<b>Non-current:</b>					
<b>Trade</b>					
Retention sums	(a)	2,406	2,948	-	-
<b>Current:</b>					
<b>Trade</b>					
External parties	(a)	118,279	59,623	14,935	10,251
Retention sums	(a)	2,841	3,687	236	236
Amount due from subsidiaries	(a)	-	-	700	2,600
		121,120	63,310	15,871	13,087
<b>Non-trade</b>					
Amounts owing by subsidiaries	(b)	-	-	532,464	453,279
Other receivables		3,703	3,596	300	502
Advance payments to suppliers		58,725	42,954	-	-
Deposits		7,503	5,593	1,429	1,133
Prepayments		1,837	1,283	122	326
		71,768	53,426	534,315	455,240
Total trade and other receivables (current)		192,888	116,736	550,186	468,327
Total trade and other receivables (non-current and current)		195,294	119,684	550,186	468,327

#### (a) Trade receivables

The Group's and the Company's normal trade credit terms ranging from 30 to 90 (2020: 30 to 90) days. Other credit terms are assessed and approved on a case-by-case basis. Trade receivables are recognised at their original invoice amounts which represent their fair values on initial recognition. Included in trade receivables of the Company are amounts due from subsidiaries of RM700,000 (2020: RM2,600,000), which are subject to normal trade terms.

The retention sums are due upon the expiry of the defect liability period stated in the respective contracts. The defect liability periods ranging between 12 to 36 (2020: 12 to 36) months.

The information about the credit exposures are disclosed in Note 33(b)(i).

#### (b) Amounts owing from subsidiaries

Amounts owing from subsidiaries are advances and payment on behalf, unsecured, non-interest bearing, receivable on demand and/or expected to recover in the next twelve months in cash.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 13. CONTRACT ASSETS

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
At beginning of the financial year	702,103	539,164	79,378	79,630
Revenue recognised during the financial year	353,739	259,715	3,861	5,510
Progress billings issued during the year	(229,544)	(96,776)	(4,189)	(5,762)
At end of the financial year	826,298	702,103	79,050	79,378

- (a) Revenue from contracts with customers are recognised over time, while the customers are billed via progress billings according to contractual milestones.
- (b) A contract asset is recognised in respect of the right to consideration for work performed which has not been billed at the reporting date. Contract assets are reclassified to trade receivables at the point at which it is billed to the customers and none of the amounts are past due at the reporting date.
- (c) Included in the contract assets of the Group and the Company is an amount of RM30,000,000 (2020: RM30,000,000) pertains to work performed yet to be billed to a customer in respects of a property development project. The progress of the project was delayed due to the change in the proposed development project. The negotiations of the contract with customer and obtaining relevant approvals from authorities were delayed due to unforeseen circumstances in previous financial years. The Group and the Company endeavour to commence the property development project in the next financial year. Based on the current progress of approvals and execution of head of agreement with the customer, the directors are confident the amount is recoverable and will be billed based on agreed terms with the customer.
- (d) Included in the contract assets of the Group are amounts of approximately RM826 million (2020: RM702 million) in relation to work performed yet to be billed to customers in respects of the ongoing projects of which approximately RM676 million (2020: RM616 million) will be billed based on agreed terms with the customers and are payable for a period of more than 12 months.

### 14. DEPOSITS, CASH AND BANK BALANCES

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash and bank balances		41,938	82,024	4,639	24,007
Short-term deposits	(a)	256,519	277,356	69,818	50,123
		298,457	359,380	74,457	74,130

For the purpose of the statements of cash flows, cash and cash equivalents comprise of the following:

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash and bank balances		41,938	82,024	4,639	24,007
Add: Deposits with maturity less than 3 months	(b)	255,568	273,845	69,818	50,123
		297,506	355,869	74,457	74,130
Bank overdrafts (Note 20)		(3,034)	(5,069)	-	-
		294,472	350,800	74,457	74,130



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 14. DEPOSITS, CASH AND BANK BALANCES (continued)

- (a) The deposits placed with licensed banks are placements that bear interest at rates ranging from 1.35% to 3.03% (2020: 1.35% to 3.50%) per annum.
- (b) Short-term deposits of the Group and of the Company amounting to RM77,343,000 (2020: RM70,314,000) and RM13,454,000 (2020: RM13,148,000) respectively are pledged to licensed banks for credit facilities granted to the Group and the Company as disclosed in Note 20, which are restricted and not available for general use.

### 15. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amount	
	2021 '000 unit	2020 '000 unit	2021 RM'000	2020 RM'000
<b>Issued and fully paid up (no par value):</b>				
At beginning of the financial year	480,257	467,441	409,543	400,839
Issued during the financial year				
- Exercise of ESOS	11,204	12,816	6,667	7,626
- Private placement	86,600	-	79,752	-
Share issuance expenses	-	-	942	1,078
At end of the financial year	578,061	480,257	496,904	409,543

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

During the financial year, the Company had increased its total number of issued and paid up share capital from 480,257,053 ordinary shares to 578,061,453 ordinary shares by way of:

- (a) issuance of 11,204,400 new ordinary shares at an exercise price of RM0.595 per share pursuant to the exercise of options under the Employees' Share Option Scheme ("ESOS");
- (b) issuance of 20,000,000 new ordinary shares through private placement exercise at an issue price of RM0.90 per ordinary share;
- (c) issuance of 50,600,000 new ordinary shares through private placement exercise at an issue price of RM0.92 per ordinary share; and
- (d) issuance of 16,000,000 new ordinary shares through private placement exercise at an issue price of RM0.95 per ordinary share.

The issuance through private placement exercise is for development cost for a solar power plant facility and partial repayment of bank borrowings.

The new ordinary shares rank pari passu in all respects with the then existing ordinary shares of the Company.

In the previous financial year, the Company increased its total number of issued and paid-up share capital from 467,441,453 ordinary shares to 480,257,053 ordinary shares by way of issuance of 12,815,600 new ordinary shares at an exercise price of RM0.595 per share pursuant to the exercise of options under the ESOS.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 15. SHARE CAPITAL (continued)

#### Dividend Reinvestment Scheme ("DRS")

The DRS was established upon the approval from shareholders at the Annual General Meeting held on 21 April 2015. The DRS provides shareholders with the option to reinvest their dividends partially or wholly in new CRB shares in lieu of receiving cash.

Shareholders are expected to benefit from their participation in the DRS as the new shares may be issued at a discount and the DRS provides flexibility for the shareholders to choose to receive the dividends in cash or reinvesting them into the Company.

The DRS will also benefit the Company as the reinvestment of dividends by the shareholders in new shares will enlarge the share capital base and strengthen the capital position of the Company. The cash retained will be preserved to fund the Group's continuing growth and expansion plan and for the Group's working capital purpose.

In relation to dividends to be declared, the Board of directors ("Board") may, at its absolute discretion, determine whether to offer shareholders the reinvestment option and where applicable, the Electable Portion of the dividends to which the reinvestment option applies. The Company is not obliged to undertake the DRS for every dividend to be declared.

In this respect, the Electable Portion may encompass the whole dividends declared or only a portion of the dividends. In the event the Electable Portion is not applicable for the whole dividends declared, the Non-Electable Portion will be paid in cash.

The issue price of such new shares will be fixed by the Board on the price fixing date and shall be determined based on the 5-day Volume Weighted Average Price ("VWAP") of the CRB Shares immediately preceding the price fixing date, with a discount of not more than ten percent (10%). The VWAP shall be adjusted ex-dividends before applying the said discount in fixing the Issue Price. In any event, the Issue Price will not be lower than the par value of CRB Shares of RM0.50 each.

### 16. REVERSE ACQUISITION RESERVE

In accordance with the principles of reverse acquisition in MFRS 3 Business Combinations, the amount recognised as issued instruments in the consolidated financial statements is determined by adding the cost of the business combination to the issued equity of the subsidiary being acquired immediately before the business combination. However, the equity structure appearing in the consolidated financial statements is of the Company.

Therefore, a reverse acquisition reserve of RM36,700,000 has been created, being the difference between the required Group's equity structure and the reported equity of the Company.

### 17. EMPLOYEE SHARE OPTION RESERVE

Employee share option reserve represents the equity-settled share options granted to the directors and employees. The reserve is made up of the cumulative value of services received from the directors and employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry or exercise of the share options.

The ESOS was implemented on 19 October 2015. The ESOS allows the Company to grant share options to eligible employees and directors of the Group of up to 15% of the issued and paid-up share capital of the Company. The ESOS is governed by the By-Laws which was approved by the shareholders at the Tenth Annual General Meeting on 21 April 2015. The ESOS shall be in force for a period of 5 years up to 18 October 2020 and pursuant to By-Laws 21, the Board shall have the discretion to extend the duration of the ESOS for a maximum period of 5 years. 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.

Subsequently, the Company had on 9 July 2021 upon the recommendation of the Option Committee approved an extension of the duration of the ESOS which will be expiring on 18 October 2021 for a period from 19 October 2021 to 30 June 2022.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 17. EMPLOYEE SHARE OPTION RESERVE (continued)

The salient features of the ESOS are as follows:

- (i) Option Committee is appointed by the Board to administer the ESOS, may from time to time grant options to eligible employees and directors of the Group to subscribe for new ordinary shares;
- (ii) The total number of new ordinary shares to be offered under the ESOS shall not exceed in aggregate fifteen percent (15%) of the issued and paid-up share capital of the Company at any point in time during the existence of the ESOS. In addition, not more than 10% of the new ordinary shares available under the ESOS shall be allocated to any individual director or employee who, either singly or collectively through person(s) connected with him/her, holds 20% or more in the issued and paid-up capital of the Company;
- (iii) Eligible persons are employees and directors of the Group that have attained the age of eighteen (18) years, in full time confirmed employment and payroll or such person is serving in a specific designation under an employee contract for a fixed duration of at least one (1) year, not a participant of any other employee share option scheme within the Group which is in force for the time being and such person has fulfilled any other eligibility criteria determined by the Option Committee. For the avoidance of doubt, the Option Committee may determine any other eligibility criteria and/or waive any of the conditions of eligibility as set out in the By-Laws, for purposes of selecting an eligible person at any time and from time to time, in the Option Committee's discretion;
- (iv) The criterion of allotment of new ordinary shares is by reference to the category of the eligible persons in consideration with due regard to, amongst others, the performance in the Group and seniority of the eligible persons;
- (v) The price at which the grantee is entitled to subscribe for each new ordinary shares under the ESOS shall be determined based on the five (5)-day VWAP of the ordinary shares immediately preceding the date of offer, with a discount of not more than ten percent (10%) or such other percentage of discount as may be permitted by Bursa Malaysia Securities Berhad or any other relevant authorities from time to time during the duration of the ESOS. In any event, the exercise price of the ESOS options will not be lower than the par value of the Company's share of RM0.50 each;
- (vi) All new ordinary shares issued upon exercise of the options granted under the ESOS will rank pari passu in all respects with the existing ordinary shares except that the new CRB Shares issued will not be entitled to any dividend, rights or other distributions declared, made or paid to shareholders prior to the date of allotment; and
- (vii) The options granted under ESOS are not assignable

Grant date	30/12/2019	26/3/2020	19/1/2021
Number of options:	33,800,000	48,600,000	8,950,000
Exercise period:	30/12/2019 to 11/03/2020 (cancelled)	26/03/2020 to 30/6/2022	19/01/2021 to 30/6/2022
Exercise price:	RM1.240	RM0.595	RM1.160

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 17. EMPLOYEE SHARE OPTION RESERVE (continued)

The movements during the financial year in the number of ESOS of the Group and of the Company are as follows:

	Number of options '000	Weighted average exercise price	Weighted average share price at exercise date
At 1 November 2019	13,173	1.40	
Granted	33,800	1.24	
Granted	48,600	0.595	
Cancelled	(46,973)		
Exercised	(12,816)	0.595	0.95
At 31 October 2020	35,784		
Granted	8,950	1.16	
Exercised	(11,204)	0.595	1.33
At 31 October 2021	33,530		

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 RM1.24 on 30 December 2019 and were fully accepted by all eligible directors and employees on 23 January 2020.

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.

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 one (1) year period from 19 October 2020 to 18 October 2021.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 17. EMPLOYEE SHARE OPTION RESERVE (continued)

A total of 8,950,000 new ESOS options ("2021 Options") under the ESOS Scheme was offered to eligible directors and employees at RM1.16 on 19 January 2021 and fully accepted by all eligible employees on 8 February 2022.

On 9 July 2021, the Board further approved the extension of the duration of ESOS upon the recommendation from option committee which will be expiring on 18 October 2021 to a period from 19 October 2021 to 30 June 2022.

Exercisable ESOS as at the end of the reporting period is 33,530,000 (2020: 35,784,400) options.

#### Fair value of share options granted

The fair values of the share options granted under the ESOS was determined using the binomial option pricing model, taking into account the terms and conditions upon which the instruments were granted by. The model simulates the total shareholder return. It takes into account historic dividends, share price fluctuation covariance of the Company and each entity of the group of competitors to predict the distribution of relative share performance.

The significant inputs to the model were as follows:

	2021	2020
Weighted average share price (RM)	1.39	0.70
Weighted average exercise price (RM)	1.16	0.595
Expected volatility (%)	50.31	39.07
Expected life (years)	0.67	1.00
Risk-free interest rate (%)	1.94	2.89

The expected life of the share options is based on historical data and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility of share price is indicative of future trends, which may also not necessarily be the actual outcome.

### 18. TREASURY SHARES

	Group and Company			
	Number of ordinary shares		Amount	
	2021	2020	2021	2020
	'000 unit	'000 unit	RM'000	RM'000
At beginning/end of the financial year	7,630	7,630	5,790	5,790

Treasury shares relate to ordinary shares of the Company that are repurchased and held by the Company. The Company's share buyback scheme was approved by the Company's shareholders in the Annual General Meeting held on 8 April 2021 for the Company to repurchase up to 10% of its issued ordinary shares within a 5-year period. The share repurchases made to date were financed by internally generated funds and are being held as treasury shares in accordance with the requirement of Section 127 of the Companies Act 2016 in Malaysia.

In the previous financial year, the Company repurchased 7,630,100 shares of its issued shares from the open market. The average price paid for the shares repurchased was RM0.76 per share.

There was no repurchase of the Company's issued ordinary shares, nor any resale, cancellation or distribution of treasury shares during the financial year.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 19. PERPETUAL SUKUK

	Group	
	2021 RM'000	2020 RM'000
Issuance nominal value	209,600	119,350
Less: transaction costs, net of tax	(2,847)	(2,023)
	206,753	117,327
Distribution to perpetual sukuk holders	13,394	1,143
Distribution paid to perpetual sukuk holders	(11,252)	-
	208,895	118,470

On 4 September 2020 and 7 October 2020, a wholly owned subsidiary of the Company, Cypark Renewable Energy Sdn. Bhd. ("CRE") issued RM97,250,000 and RM22,100,000 nominal value of Perpetual Sukuk Musharakah ("perpetual sukuk") under the Perpetual Sukuk Musharakah programme of up to RM500 million. These issued perpetual sukuk are part of the first tranche of the programme. The proceeds from the issuance of the perpetual sukuk are for refinancing of existing financings/borrowings, working capital, investment, capital expenditure and general corporate purposes.

On 19 November 2020, a wholly owned subsidiary of the Company, Cypark Renewable Energy Sdn. Bhd. ("CRE") issued RM30,250,000 of Tranche 1 Series 3 nominal value of Perpetual Sukuk Musharakah ("perpetual sukuk") under the Perpetual Sukuk Musharakah programme of up to RM500 million. It was followed with the issuance of Tranche 1 Series 4 amounting to RM15,400,000 and Tranche 1 Series 5 amounting to RM30,100,000 on 30 December 2020 and 22 February 2021 respectively. Subsequently, CRE issued Tranche 1 Series 6 amounting to RM8,000,000 on 12 April 2021 and Tranche 1 Series 7 amounting to RM6,500,000 on 5 October 2021. These issued perpetual sukuk are part of the first tranche of the programme. The proceeds from the issuance of the perpetual sukuk are for refinancing of existing financings/borrowings, working capital, investment, capital expenditure and general corporate purposes.

The perpetual sukuk is accounted for as an equity instrument as there is no contractual obligation to redeem the instrument.

The salient features of the perpetual sukuk are as follows:

- (i) The perpetual sukuk is issued under the Shariah principle of Musharakah and unrated.
- (ii) The perpetual sukuk is structured with a perpetual tenure and there is no fixed maturity date where CRE is required to redeem the perpetual sukuk mandatorily.
- (iii) The perpetual sukuk shall at all times constitute direct, secured or unsecured (as the case may be), unconditional and subordinated obligations of CRE under the laws of Malaysia and shall at all times rank pari passu among themselves and as follows:
  - (a) in respect of such issuance of the secured perpetual sukuk, rank pari passu, without priority among themselves but each issuance of perpetual sukuk will be secured by their respective security and shall rank at least pari passu with all other present and future unsecured, unconditional and subordinated obligations of CRE and with any Parity Obligations; and
  - (b) in respect of such issuance of the unsecured perpetual sukuk, rank pari passu without priority amongst themselves, and rank at least pari passu with all other present and future unsecured, unconditional and subordinated obligations of CRE and with any Parity Obligations.



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 19. PERPETUAL SUKUK (continued)

The salient features of the perpetual sukuk are as follows: (continued)

- (iv) CRE may opt to defer payment of the Expected Periodic Distribution Amount (in whole or in part) which is otherwise scheduled to be paid on a Periodic Distribution Date by giving an irrevocable optional deferral notice not less than fifteen (15) days and not more than thirty (30) days prior to the relevant Periodic Distribution Date, provided that no Compulsory Periodic Distribution Payment Event has occurred.

A Compulsory Periodic Distribution Payment Event shall have occurred if, during the six (6)-month period ending on the day before the relevant scheduled Periodic Distribution Date, either or both of the following have occurred:

- (a) CRE has declared or paid any dividends or made other payments to holders of Junior Obligations or Parity Obligations; or
- (b) CRE has redeemed, reduced, cancelled or bought back any of holders of Junior Obligations or Parity Obligations.
- (v) All matters or resolutions which require the sukukholders' consent under the perpetual sukuk program shall be carried out on a per tranche basis, unless the matter is in relation to the program would affect sukukholders of all tranches
- (vi) CRE has the option to redeem the perpetual sukuk under the following circumstances:
- (a) CRE has redeemed, reduced, cancelled or bought back any of holders of Junior Obligations or Parity Obligations;
- (b) Accounting Event Redemption - if the perpetual sukuk is or will no longer be recorded as equity as a result of changes to accounting standards;
- (c) Tax Event Redemption - if CRE is or will become obliged to pay additional amount due to changes in tax laws or regulations;
- (d) Leverage Event Redemption - if the Net Debts Equity Ratio of CRE exceeds 0.75 times;
- (e) Shareholder/Shareholding Event Redemption - if the shareholding of CRE changed; and
- (f) Sinking Fund Event Redemption - if CRE fails to comply with the Sinking Fund Top Up schedule of the respective tranche.
- (vii) The perpetual sukuk issued during the year carried an initial fixed periodic distribution rate of 6.5% per annum payable on semi-annual basis in arrears. The periodic distribution rate of any tranche of perpetual sukuk will be reset at the aggregate of the initial period distribution rate plus step-up margin provided that such rate is capped at maximum rate.
- (viii) The first tranche of perpetual sukuk is secured by the following:
- (a) first ranking specific debenture over the building, plant and machinery in relation to the First Tranche Eligible Projects and these projects owners are CRE's subsidiaries;
- (b) first ranking legal assignment and charge over the First Tranche Designated Accounts and the credit balances therein as well as the Permitted Investments;
- (c) first ranking legal assignment over intercompanies advances agreements entered into between CRE and its subsidiaries, including the assignment over the rights, titles and benefits (including proceeds from the sale of electricity) under the REPPAs entered into between the subsidiaries and Tenaga Nasional Berhad ("TNB") in relation to the First Tranche Eligible Projects; and
- (d) first ranking assignment over all insurance contracts in relation to the First Tranche Eligible Projects.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 20. LOANS AND BORROWINGS

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
<b>Non-current:</b>					
<b>Secured:</b>					
Islamic medium term notes ("IMTNs")	(b)	527,856	536,724	-	-
Term loans	(c)	571,630	449,344	-	-
		1,099,486	986,068	-	-
<b>Current:</b>					
<b>Secured:</b>					
Bank overdrafts	(a)	3,034	5,069	-	-
Islamic medium term notes ("IMTNs")	(b)	9,775	-	-	-
Term loans	(c)	20,090	2,870	-	-
Trust receipts	(d)	100,652	112,190	25,497	23,704
Revolving credits	(e)	123,421	112,877	2,000	2,000
		256,972	233,006	27,497	25,704
<b>Total loans and borrowings:</b>					
Bank overdrafts	(a)	3,034	5,069	-	-
Islamic medium term notes ("IMTNs")	(b)	537,631	536,724	-	-
Term loans	(c)	591,720	452,214	-	-
Trust receipts	(d)	100,652	112,190	25,497	23,704
Revolving credits	(e)	123,421	112,877	2,000	2,000
		1,356,458	1,219,074	27,497	25,704

The breakdown of Islamic and Conventional loans and borrowings are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
<b>Non-current:</b>				
Islamic	1,099,486	986,068	-	-
<b>Current:</b>				
Islamic	221,247	217,788	27,497	25,704
Conventional	35,725	15,218	-	-
	256,972	233,006	27,497	25,704
	1,356,458	1,219,074	27,497	25,704

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 20. LOANS AND BORROWINGS (continued)

#### (a) Bank overdrafts

Bank overdrafts of the Group bear interests ranging from base lending rate ("BLR") + 1% (2020: BLR + 1% to BLR + 1.75%) per annum.

#### (b) Islamic medium-term notes ("IMTNs")

In previous financial year, a wholly owned subsidiary of the Company, Cypark Ref Sdn. Bhd. ("CREF") issued IMTNs pursuant to Sri Sukuk Murabahah Programme ("Sukuk Murabahah") of RM550.0 million in nominal value. Such IMTNs were issued in 19 series with maturities commencing from year 2022 to 2040. The profit margin ranges from 4.60% to 5.99% per annum.

The utilisation of the proceeds from the issuances shall include, but not limited to finance the costs and expenses associated with the design, procurement, construction and commission, of three (3) 30MWAC solar photovoltaic power plant projects under Large Scale Solar ("LSS") 2, the profit payment of the IMTNs during the construction period and to defray any expenses incurred in relation to the IMTNs.

The IMTNs are secured by the following:

- (i) the debenture incorporating a first ranking fixed and floating charge over the present and future assets of CREF;
- (ii) the assignment of Issuer's Material Project Documents;
- (iii) the assignment and Charge of Designated Accounts (Issuer);
- (iv) the assignment of Takaful Contracts/Insurance Policies;
- (v) the assignment of Project Bonds (Issuer);
- (vi) the Tripartite Security Deeds under which the assignment of all revenue proceeds of the power purchase agreements signed with TNB of the 3 projects is created; and
- (vii) Letter of Undertaking (Contingent Equity Support) by the Company.

CREF shall at all times after the project completion to ensure the following are met during the tenure of the SRI Sukuk:

- (i) Financial Service Coverage Ratio with cash of at least 1.10 times; and
- (ii) Finance to Equity ratio shall not exceed 80:20.

#### (c) Term loans

Term loans of the Group bear interests ranging from cost of funds COF + 1.50% to COF + 2.5% (2020: COF + 1.50% to COF + 2.5%) per annum.

Term loans are secured by the following:

- (i) A debenture over the fixed and floating charges over present and future assets of projects funded;
- (ii) An assignment over all over all revenue proceeds from the projects funded;
- (iii) An assignment of all insurance policies relating to the projects funded;
- (iv) A charge over the designated bank accounts of the project funded;
- (v) The Facility Agreement between the Bank and a subsidiary;
- (vi) Charge over the shares of a subsidiary;
- (vii) A charge over the land lease in relation to the Project;
- (viii) Corporate guarantee by the Company, and
- (ix) Guarantee from Credit Guarantee Corporation Malaysia Berhad.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 20. LOANS AND BORROWINGS (continued)

#### (d) Trust receipts

Trust receipts of the Group and of the Company bear interests ranging from BLR + 1.25%, base financing rate ("BFR") + 0.75% to BFR + 6.7% and cost of funds ("COF") +1% to COF + 2% (2020: BLR + 0.5% to BLR + 1.25% and COF + 1% to COF + 1.25%) per annum.

Trust receipts are secured by the followings:

- (i) Deposits pledged to the financial institutions as disclosed in Note 14(b); and
- (ii) Corporate guarantee by the Company.

#### (e) Revolving credit

Revolving credits of the Group and of the Company bear interest ranging from COF + 1.30% to COF + 2.5% (2020: COF + 1.75% to COF + 2.5%) and base financing rate ("BFR") + 0.75% (2020: BLR + 0.75%) per annum.

Revolving credits are secured by the followings:

- (i) Deposits pledged to the financial institutions as disclosed in Note 14(b); and
- (ii) Corporate guarantee by the Company.

### 21. LEASE LIABILITIES

	Group	
	2021	2020
	RM'000	RM'000
<b>Non-current</b>		
<b>Secured</b>		
Lease liabilities	5,882	6,625
<b>Current</b>		
<b>Secured</b>		
Lease liabilities	645	697
<b>Total lease liabilities</b>	<b>6,527</b>	<b>7,322</b>

The incremental borrowing rates applied to lease liabilities is ranging from 2.32% to 6.79% (2020: 2.32% to 6.79%).

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 21. LEASE LIABILITIES (continued)

Future minimum lease payments together with the present value of net minimum lease payments are as follows:

	Group	
	2021 RM'000	2020 RM'000
<b>Minimum lease payments</b>		
Not later than 1 year	992	1,121
Later than 1 year and not later than 5 years	3,120	3,518
More than 5 years	5,307	6,020
	9,419	10,659
Less: Future finance charges	(2,892)	(3,337)
Present value of minimum lease payments	6,527	7,322
<b>Present value of minimum lease payments</b>		
Not later than 1 year	645	697
Later than 1 year and not later than 5 years	3,690	2,151
More than 5 years	2,192	4,474
	6,527	7,322
Less: Amount due within 12 months	(645)	(697)
Amount due after 12 months	5,882	6,625

### 22. TRADE AND OTHER PAYABLES

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
<b>Non-current:</b>					
<b>Trade</b>					
Retention sums	(a)	42,690	31,983	-	-
<b>Current:</b>					
<b>Trade</b>					
Third parties	(a)	72,220	95,336	558	2,151
Retention sums	(a)	4,663	4,541	373	373
Amounts owing to related company	(b)	-	-	874	-
		76,883	99,877	1,805	2,524

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 22. TRADE AND OTHER PAYABLES (continued)

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
<b>Non-trade</b>					
Other payables		15,627	5,622	617	306
Accruals		28,306	27,693	3,119	2,907
Amounts owing to subsidiaries	(b)	-	-	128,470	179,095
		43,933	33,315	132,206	182,308
Total trade and other payables (current)		120,816	133,192	134,011	184,832
Total trade and other payables non-current and current)		163,506	165,175	134,011	184,832

#### (a) Trade payables

These amounts are non-interest bearing. The normal trade credit terms granted to the Group and the Company are ranging from 30 to 90 (2020: 30 to 90) days although it is customary for the credit terms to be extended beyond 90 days based on case-by-case basis.

Included in trade payables of the Group is an amount due to a company in which certain directors of the Company have financial interests, CyEn Resources Sdn. Bhd., of RM1,311,000 (2020: RM1,311,000), which is subject to normal trade terms.

The retention sums are payable to the contractors upon the expiry of the defect liability period stated in the respective contracts. The retention sums are payable upon the expiry of the defect liability period ranging from 12 to 36 (2020: 12 to 36) months.

#### (b) Amounts owing to subsidiaries

Amounts owing to subsidiaries are advances and payment on behalf, unsecured, non-interest bearing and repayable on demand in cash.

For explanations on the Group's and the Company's liquidity risk management processes, refer to Note 33(b)(ii).



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 23. REVENUE

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
<b>Revenue from contracts with customers</b>				
Renewable energy	210,236	183,213	5,200	23,100
Construction and Engineering	23,732	20,184	-	1,587
Green Tech and Environmental Services	3,862	3,923	3,861	3,923
Waste management & Waste-to-Energy	38,224	65,857	18,843	-
Management fee	-	-	17,400	17,500
	276,054	273,177	45,304	46,110
Dividend income	-	-	26,000	25,000
	276,054	273,177	71,304	71,110
Financing revenue arising from contracts with customers	39,269	30,823	-	-
	315,323	304,000	71,304	71,110

Revenue from contracts with customers is recognised over time except for an amount of RM84,501,000 (2020: RM32,035,000) of the Group which is recognised at point in time.

As at 31 October 2021, the aggregate amount of the transaction price allocated to the remaining performance obligations of the Group in respect of renewable energy is RM17,236,070 (2020: RM112,695,154) and will recognise this revenue over the next 12 months (2020: 24 months).

Included in the revenue of waste management and waste to energy of the Group is an amount of RM10,280,000 (2020: RM Nil) which represent revenue from construction related to concession asset.

### 24. COST OF OPERATIONS

Included in the cost of operations of the Group is an amount of RM31,018,000 (2020: RM30,845,000) which represents finance cost relating to contracts with customers.

### 25. FINANCE COSTS

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Profit/Interest expenses on:				
- Bank guarantee commissions	86	69	34	44
- Bank overdrafts	280	433	-	-
- Lease liabilities	423	462	-	-
- Letter of credits	290	82	-	-
- Revolving credits	105	750	-	-
- Term loans	-	6,066	-	-
- Trust receipts	2,661	4,154	-	-
- Others	30	226	-	-
Accretion of interest on retention sums	523	58	-	-
	4,398	12,300	34	44

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 26. PROFIT BEFORE TAX

Other than disclosed elsewhere in the financial statements, the following items have been charged/(credited) in arriving at profit before tax:

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Auditors' remuneration					
- statutory audit		275	274	73	73
- non-statutory audit		28	60	28	5
Amortisation of intangible asset		3,640	5,467	4,778	7,182
Depreciation of:					
- property, plant and equipment		8,043	8,073	136	102
- right-of-use assets		840	963	-	-
Directors' remuneration	27	6,447	10,330	-	-
Employee benefits expense	28	15,275	9,099	444	(1,952)
Finance income		-	(1,241)	-	(30)
Gain on unrealised foreign exchange		(2)	(1)	-	-
Gain on disposal of plant and equipment		(200)	-	(200)	-
Interest income		(2,801)	(3,739)	(713)	(972)
Leases expenses on:					
- short-term leases		1,235	889	113	105
- low value assets		334	333	11	1

### 27. DIRECTORS' REMUNERATION

	Group and Company	
	2021 RM'000	2020 RM'000
Executive:		
Salaries, bonus and emoluments	5,133	7,532
Defined contribution plan	616	904
ESOS expense	-	1,150
	5,749	9,586
Non-executive:		
Fees	698	662
ESOS expense	-	82
	698	744
	6,447	10,330

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 28. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Defined contribution plan				
- current	1,606	1,824	62	109
- overprovision in prior year	(278)	(1,139)	(163)	(737)
ESOS expenses	269	876	269	876
Other staff related expenses	1,500	1,150	738	708
Salaries and bonuses				
- current	14,412	13,491	877	3,207
- overprovision in prior year	(2,320)	(7,195)	(1,360)	(6,139)
Social security contribution	86	92	21	24
	15,275	9,099	444	(1,952)

### 29. TAX EXPENSE

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
<b>Current income tax:</b>				
Current income tax charge	19,369	23,673	5,820	6,750
Under/(Over) provision in prior financial years	439	78	(72)	(131)
	19,808	23,751	5,748	6,619
<b>Deferred tax (Note 11):</b>				
Reversal of temporary differences	928	(538)	(30)	(13)
Under provision in prior financial years	645	2,757	-	-
	1,573	2,219	(30)	(13)
Tax expense recognised in profit or loss	21,381	25,970	5,718	6,606

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2020: 24%) of the estimated assessable profit for the financial year.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 29. TAX EXPENSE (continued)

The reconciliations from the tax amount at statutory income tax rate to the Group's and the Company's tax expense are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Profit before tax	96,635	96,621	50,030	50,612
Tax at Malaysian statutory income tax rate of 24% (2020: 24%)	23,192	23,189	12,007	12,147
Share of results of an associate	38	10	-	-
Income not subject to tax	(2,776)	(1,459)	(6,295)	(6,000)
Expenses not deductible for tax purposes	5,706	3,765	78	590
Utilisation of previously unrecognised deferred tax assets	(2,923)	(2,370)	-	-
Effect from deductibility of borrowing costs capitalised in intangible assets	(2,940)	-	-	-
Under/(Over) provision in prior financial years				
- income tax	439	78	(72)	(131)
- deferred tax	645	2,757	-	-
Tax expense	21,381	25,970	5,718	6,606

### 30. EARNINGS PER SHARE

- (a) Basic earnings per share amounts are based on profit for the financial year attributable to owners of the Company and the weighted average number of ordinary shares in issue during the financial year, calculated as follows:

	2021 RM'000	2020 RM'000
Profit attributable to the owners of the Company	75,414	70,691
Distribution to perpetual sukuk holders	(12,251)	(1,143)
	63,163	69,548
	2021 '000 unit	2020 '000 unit
Weighted average number of ordinary shares for basic earnings per share	491,515	465,487
	2021 RM	2020 RM
Basic earnings per ordinary share (sen)	12.85	14.94

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 30. EARNINGS PER SHARE (continued)

- (b) Diluted earnings per share are based on the profit for the financial year attributable to owners of the Company (after adjusting for interest on the convertible bonds) and the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares, calculated as follows:

	2021 RM'000	2020 RM'000
Profit attributable to the owners of the Company	75,414	70,691
Distribution to perpetual sukuk holders	(12,251)	(1,143)
	63,163	69,548
	2021 '000 unit	2020 '000 unit
Weighted average number of ordinary shares for basic earnings per share	491,515	465,487
Potential shares issued pursuant to ESOS	13,888	11,969
Adjusted weighted average number of ordinary shares	505,403	477,456
	2021 RM	2020 RM
Diluted earnings per ordinary share (sen)	12.49	14.57

### 31. COMMITMENTS

- (a) The Group has made commitments for the following capital expenditures:

	Group	
	2021 RM'000	2020 RM'000
In respect of capital expenditure approved and contracted for:		
- Intangible assets recognised pursuant to IC12 (Note 7(a))	1,536	10,242
- Plant and equipment	146,210	288,274
	147,746	298,516

- (b) Lease commitments - as lessee

The Company has a lease contract that has not yet commenced as at 31 October 2021. The future lease payments for this non-cancellable lease contract are RM1,594,800 within one year, RM6,379,800 within five years and RM43,000,439 thereafter.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 32. RELATED PARTIES

#### (a) Identity of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Group include:

- (i) Subsidiaries;
- (ii) Associate;
- (iii) Entities in which directors have substantial financial interests; and
- (iv) Key management personnel of the Group and the Company, comprise persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.

#### (b) Significant related party transactions

Significant related party transactions other than disclosed elsewhere in the financial statements are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
<b>Subsidiaries</b>				
Amount charged by for work performed on:				
- Development expenditure	-	-	2,400	2,400
- Construction and engineering projects	-	-	-	1,352
- Maintenance works projects	-	-	3,496	3,531
Amount charged to for work performed on:				
- Renewable energy projects	-	-	(5,200)	(7,900)
Dividend income	-	-	(26,000)	(25,000)
Management fees	-	-	(17,400)	(17,500)
Interest income	-	-	(108)	(155)
Staff costs reimbursed				
- Charged by	-	-	(6,407)	(6,375)
- Charged to	-	-	2,221	2,548
	-	-	(46,998)	(47,099)
<b>Related party</b>				
Amount charged by for work performed on:				
- maintenance works projects*	3,044	2,730	-	-
- renewable energy projects*	6,124	8,088	-	2,736
- waste to energy & WTE projects*	2,189	-	-	-
Amount charged to for work performed on:				
- waste to energy & WTE projects*	(3,087)	3,739	(3,087)	-
	8,270	14,557	(3,087)	2,736
Total transaction with subsidiaries and related party	8,270	14,557	(50,085)	(44,363)

\* Related party refers to a company in which certain directors have financial interests, namely CyEn Resources Sdn. Bhd.

The Company provides secured corporate guarantees to banks in respect of banking facilities granted to the subsidiaries as disclosed in Note 33(b)(i).



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 32. RELATED PARTIES (continued)

#### (c) Compensation of key management personnel

The key management personnel include directors of the Group and certain members of senior management of the Group.

The remuneration of the key management personnel is as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Short-term employees benefits	8,069	11,216	6,367	8,889
Defined contribution plan	884	1,266	680	987
ESOS expenses	138	1,853	15	1,259
Other benefits	5	5	2	2
	9,096	14,340	7,064	11,137

Included in the key management personnel are directors remuneration as disclosed in Note 27.

### 33. FINANCIAL INSTRUMENTS

#### (a) Categories of financial instruments

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned:

	Carrying amount RM'000	Amortised cost RM'000
<b>At 31 October 2021</b>		
<b>Financial assets</b>		
<b>Group</b>		
Trade and other receivables, excluding advance payments to suppliers and prepayments	134,732	134,732
Deposits, cash and bank balances	298,457	298,457
	433,189	433,189
<b>Company</b>		
Trade and other receivables, excluding prepayments	550,064	550,064
Deposits, cash and bank balances	74,457	74,457
	624,521	624,521

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 33. FINANCIAL INSTRUMENTS (continued)

#### (a) Categories of financial instruments (continued)

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned: (continued)

	Carrying amount RM'000	Amortised cost RM'000
<b>At 31 October 2021</b>		
<b>Financial liabilities</b>		
<b>Group</b>		
Trade and other payables	163,506	163,506
Loans and borrowings	1,356,458	1,356,458
	1,519,964	1,519,964
<b>Company</b>		
Trade and other payables	134,011	134,011
Loans and borrowings	27,497	27,497
	161,508	161,508
<b>At 31 October 2020</b>		
<b>Financial assets</b>		
<b>Group</b>		
Trade and other receivables, excluding advance payments to suppliers and prepayments	75,447	75,447
Deposits, cash and bank balances	359,380	359,380
	434,827	434,827
<b>Company</b>		
Trade and other receivables, excluding prepayments	468,001	468,001
Deposits, cash and bank balances	74,130	74,130
	542,131	542,131
<b>Financial liabilities</b>		
<b>Group</b>		
Trade and other payables	165,175	165,175
Loans and borrowings	1,219,074	1,219,074
	1,384,249	1,384,249
<b>Company</b>		
Trade and other payables	184,832	184,832
Loans and borrowings	25,704	25,704
	210,536	210,536

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 33. FINANCIAL INSTRUMENTS (continued)

#### (b) Financial risk management

The Group's and the Company's activities are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and interest rate risk. The Group's and the Company's overall financial risk management objective is to optimise value for their shareholders.

The Group and the Company operate within an established risk management framework and clearly defined guidelines that are regularly reviewed by the Group's Chief Financial Officer and does not trade in derivative financial instruments. Financial risk management is carried through internal control systems and adherence to Group's and the Company's financial risk management policies.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

#### (i) Credit risk

Credit risk is the risk of financial loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company is exposed to the credit risk arises primarily from contract assets and other receivables. For deposits, cash and bank balances, the Company minimises credit risk by dealing exclusively with high credit rating financial institutions.

The Group's and the Company's credit risk is primarily attributable to contract assets, trade and other receivables. The Group and the Company trade only with recognised and creditworthy third parties. It is the Group's and the Company's policies that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's and the Company's exposure to bad debts is not significant.

The credit risk of the Group's and of the Company's other financial assets, which comprise deposit, cash and bank balances arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets.

#### Exposure to credit risk

As at the end of the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by:

- The carrying amount of each class of financial assets recognised in the statements of financial position; and
- An amount of RM1,366,520,000 (2020: RM1,262,020,000) relating to a corporate guarantee provided by the Company to bank for subsidiaries' bank borrowings.

As at the reporting date, there was no indication that the subsidiaries would default on repayment since the utilisation of the banking facilities.

The financial guarantee has not been recognised as the fair value on initial recognition was immaterial since the financial guarantees provided by the Company did not contribute towards credit enhancement of the subsidiaries' borrowings in view of the security pledged by the subsidiaries and it is unlikely that the subsidiaries will default within the guarantee provided.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 33. FINANCIAL INSTRUMENTS (continued)

#### (b) Financial risk management (continued)

##### (i) Credit risk (continued)

###### Trade receivables and contract assets

###### Credit risk concentration profile

The Group and the Company determine the credit risk concentration of its trade receivables and contract assets by industry sector profile on an ongoing basis. The credit risk concentration profile of the Group's and the Company's trade receivables and contract assets at the reporting date are as follows:

###### Trade receivables

At the reporting date, the Group has a significant concentration of credit risk in the form of outstanding balances from five customers (2020: five customers) representing approximately 77% (2020: 78%) of the total trade receivables.

Management concluded that the credit risk in respect of trade receivables is insignificant. These receivables are not secured by any collateral.

###### Contract assets

At the reporting date, the Group has a significant concentration of credit risk in the form of contract assets from three customers (2020: three customers) representing approximately 90% (2020: 88%) of the total contract assets.

The credit risk is minimal and low as the contract assets are secured by a formal assignment to the Group of all solar energy sales proceeds collectable from Tenaga Nasional Berhad ("TNB") over the period of the Tripartite Security Deeds under which the assignment of all revenue proceeds of the power purchase agreements signed with TNB as disclosed in Note 20(b).

Management applies simplified approach (i.e., lifetime expected credit losses) in measuring the loss allowance for trade receivables and contract assets. The expected credit losses on trade receivables and contract assets are estimated by reference to past default experience of the debtors and an analysis of the debtors' current financial position, adjusted for factors that are specific to the debtors, general economic outlook of the energy industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

During the financial year, no debtor has been identified by the Group and the Company as credit-impaired.

Management writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

###### Amounts due from subsidiaries

At the reporting date, the Company has a significant concentration of credit risk in the form of outstanding balances from three subsidiaries (2020: three subsidiaries) representing approximately 99% (2020: 99%) of the total amounts due from subsidiaries.

Management assesses the credit risk of amounts due from subsidiaries with reference to the financial position, business performance of the subsidiaries and probability of default.

The amounts due from subsidiaries are considered to have low credit risk as the Company has control over the operating, investing and financing activities of its subsidiaries. The use of advances to assist with the subsidiaries' cash flow management is in line with the Group's treasury management. There has been no significant increase in the credit risk of the amounts due from subsidiaries since initial recognition.

Management has assessed and concluded that any credit risk in respect of amounts due from subsidiaries to be considered insignificant.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 33. FINANCIAL INSTRUMENTS (continued)

#### (b) Financial risk management

##### (i) Credit risk (continued)

The information about the credit risk exposure on the Group's and the Company's trade receivables are as follows:

	Gross carrying amount at default RM'000
<b>Group</b>	
<b>At 31 October 2021</b>	
<b>Contract assets</b>	
Current	826,298
<b>Trade receivables</b>	
Current	113,626
1 to 30 days past due	387
31 to 90 days past due	2,369
More than 90 days past due	7,144
	123,526
<b>Company</b>	
<b>At 31 October 2021</b>	
<b>Contract assets</b>	
Current	79,050
<b>Trade receivables</b>	
Current	12,452
1-30 days past due	-
31-90 days past due	100
More than 90 days past due	3,319
	15,871

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 33. FINANCIAL INSTRUMENTS (continued)

#### (b) Financial risk management

##### (i) Credit risk (continued)

	Gross carrying amount at default RM'000
<b>Group</b>	
<b>At 31 October 2020</b>	
<b>Contract assets</b>	
Current	702,103
<b>Trade receivables</b>	
Current	53,468
1 to 30 days past due	96
31 to 90 days past due	355
More than 90 days past due	12,339
	66,258
<b>Company</b>	
<b>At 31 October 2020</b>	
<b>Contract assets</b>	
Current	79,378
<b>Trade receivables</b>	
Current	10,371
1 to 30 days past due	-
31 to 90 days past due	-
More than 90 days past due	2,716
	13,087



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 33. FINANCIAL INSTRUMENTS (continued)

#### (b) Financial risk management (continued)

##### (i) Credit risk (continued)

###### Other receivables and other financial assets

For other receivables and other financial assets (including cash and cash equivalents), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. Especially the following indicators are incorporated.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 90 days past due in making a contractual payment.

As at the end of the reporting date, the Group and the Company consider the other receivables and other financial assets as low risk and did not recognise any loss allowance for impairment for other receivables and other financial assets. Refer to Note 3.9(a) for the Group's and the Company's other accounting policies for impairment of financial assets.

##### (ii) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arise primarily from mismatches of the maturities between financial assets and liabilities. The Group's and the Company's exposure to liquidity risk arise principally from trade and other payables, loans and borrowings.

The Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 33. FINANCIAL INSTRUMENTS (continued)

#### (b) Financial risk management (continued)

##### (ii) Liquidity risk (continued)

###### Maturity analysis

The maturity analysis of the Group's and of the Company's financial liabilities by their relevant maturity at the reporting date based on contractual undiscounted repayment obligations are as follows:

	Carrying amount RM'000	Contractual undiscounted cash flows			Total RM'000
		On demand or within 1 year RM'000	Between 1 to 5 years RM'000	More than 5 years RM'000	
<b>Group</b>					
<b>2021</b>					
<b>Financial liabilities:</b>					
Trade and other payables	163,506	123,022	43,727	-	166,749
Loans and borrowings	1,356,458	286,375	444,058	733,112	1,463,545
	1,519,964	409,397	487,785	733,112	1,630,294
<b>2020</b>					
<b>Financial liabilities:</b>					
Trade and other payables	165,175	133,192	35,820	-	169,012
Loans and borrowings	1,219,074	253,346	280,668	720,000	1,254,014
	1,384,249	386,538	316,488	720,000	1,423,026
<b>Company</b>					
<b>2021</b>					
<b>Financial liabilities:</b>					
Trade and other payables	134,011	134,011	-	-	134,011
Loans and borrowings	27,497	28,417	-	-	28,417
Financial guarantee contracts*	-	1,311,520	-	-	1,311,520
	161,508	1,473,948	-	-	1,473,948
<b>2020</b>					
<b>Financial liabilities:</b>					
Trade and other payables	184,832	184,832	-	-	184,832
Loans and borrowings	25,704	26,167	-	-	26,167
Financial guarantee contracts*	-	724,071	-	-	724,071
	210,536	935,070	-	-	935,070

\* The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The maximum exposure to the Company amounted to RM1,311,520,000 (2020: RM724,071,000) representing banking facilities utilised by the subsidiaries at the reporting date. The amount represents maximum guarantees which could be recalled. At the reporting date, the Company does not consider it probable that a claim will be made against Company under the intra-group financial guarantees.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 33. FINANCIAL INSTRUMENTS (continued)

#### (b) Financial risk management (continued)

##### (iii) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. As the Group and the Company have no significant interest-bearing financial assets, the Group's and the Company's income and operating cash flows are substantially independent of changes in market interest rates. The Group's and the Company's interest-bearing financial assets are mainly short-term in nature and have been mostly placed in deposits with licensed banks.

The Group's and the Company's interest rate risk arises primarily from interest-bearing borrowings. Borrowings at floating rates expose the Group and the Company to cash flow interest rate risk. Borrowings obtained at fixed rates expose the Group and the Company to fair value interest rate risk. The Group and the Company manage their interest rate exposure by maintaining a mix of fixed and floating rate borrowings.

##### Sensitivity analysis

At the reporting date, if interest rates were to increase or decrease by 50 basis points with all other variables held constant, the Group's and the Company's profit net of tax would decrease or increase by RM1,688,000 and RM104,000 (2020: RM1,174,000 and RM98,000) respectively, arising from the outstanding floating rate term loans and borrowings as at the end of the reporting period.

The sensitivity analysis is unrepresentative of the inherent interest rate risk as the year-end exposure does not reflect the exposure during the year.

#### (c) Fair value measurement

The carrying amounts of cash and cash equivalents, short-term receivables and payables and short-term borrowings reasonably approximate to their fair values due to the relatively short-term nature of these financial instruments.

The carrying amounts of long-term floating rate term loans is reasonable approximation of fair values as the loans will be re-priced to market interest rate on or near reporting date.

There have been no transfers between Level 1 and Level 2 during the financial year (2020: no transfer in either directions).

	Carrying amount RM'000	Fair value of financial instruments carried at fair value				Total RM'000
		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
<b>Group</b>						
<b>2021</b>						
<b>Financial assets</b>						
Fair value through profit or loss						
- Redeemable Convertible						
Unsecured Islamic Debt Security	8,000	8,000	-	-		8,000

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 34. SEGMENT INFORMATION

The Group prepared the following segment information in accordance with MFRS 8 *Operating Segments* based on the internal reports of the Group's strategic business units which are regularly reviewed by the Group's Chief Executive Officer for the purpose of making decisions about resource allocation and performance assessment.

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by the local economic environment in which it operates.

The Group has further streamlined and regrouped its core businesses into the four segments below in the beginning of current financial year:

Segments	Products and services
Renewable energy	Engage in renewable energy businesses related to sales of energy generated from solar projects, Engineering, Procurement, Construction and Commissions ("EPCC") in solar projects, operations and maintenance for solar projects and other related specialist and consultancy works on solar.
Construction & engineering	Provision of landscape services, project management services, civil and structural works and infrastructure developments.
Greentech & environment	Provision of specialist maintenance works on leachate treatment plants, biogas and biomass activities and other related specialist or consultancy works.
Waste management & Waste-to-Energy ("WTE")	Engage in construction of WTE plant, sale of energy related to WTE Integrated plant, operations and maintenance for WTE plant and related facilities, tipping fees from landfill operation and other related specialist or consultancy works related to waste management.

The directors are of the opinion that all inter-segment transactions have been entered in the normal course of business and have been established on terms and conditions that are mutually agreed upon.

#### Segment profit

Segment performance is used to measure performance as Group's Chief Executive Officer believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Performance is evaluated based on operating profit or loss which is measured differently from operating profit or loss in the consolidated financial statements.

#### Segment assets and liabilities

The total of segment assets and liabilities are measured based on all assets and liabilities of a segment, as included in the internal reports that are reviewed by the Group's Chief Executive Officer.

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 October 2021

**34. SEGMENT INFORMATION (continued)**

	Renewable Energy RM'000	Construction & Engineering RM'000	Greentech & Environmental RM'000	Waste management & WTE RM'000	Total RM'000
<b>2021</b>					
<b>Revenue</b>					
Revenue from external customers	249,506	23,732	3,861	38,224	315,323
Inter-segment revenue	449,332	122,561	3,496	8,450	583,839
Total revenue	698,838	146,293	7,357	46,674	899,162
Adjustments and eliminations					(583,839)
Consolidation revenue					315,323
<b>Results</b>					
Segment profit	103,185	12,959	1,155	14,911	132,210
Finance costs*	(29,234)	(6,071)	(159)	(111)	(35,575)
Profit before tax	73,951	6,888	996	14,800	96,635
Tax expense					(21,381)
Profit for the financial year					75,254
<b>Assets:</b>					
Segment assets	1,674,805	100,448	21,841	952,712	2,749,806
<b>Liabilities:</b>					
Segment liabilities	1,108,096	11,262	13,182	426,732	1,559,272
<b>Other information:</b>					
Adjusted earnings before interest, taxes, depreciation and amortisation ("EBITDA")	113,461	12,607	1,155	14,709	141,932
Amortisation of intangible assets	(3,640)	-	-	-	(3,640)
Depreciation of:					
- property, plant and equipment	(8,043)	-	-	-	(8,043)
- right-of-use assets	(840)	-	-	-	(840)
Interest income	2,247	352	-	202	2,801
Finance costs*	(29,234)	(6,071)	-	(111)	(35,416)
Share of results of an associate	-	-	(159)	-	(159)

\* Including interest expense recognised in cost of operations.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 34. SEGMENT INFORMATION (continued)

	Renewable Energy RM'000	Construction & Engineering RM'000	Greentech & Environmental RM'000	Waste management & WTE RM'000	Total RM'000
<b>2021 (continued)</b>					
<i>Reconciliation between adjusted earnings before interest, taxes, depreciation and amortisation and segment profit and:</i>					
Adjusted earnings before interest, taxes, depreciation and amortisation ("EBITDA")	113,461	12,607	1,155	14,709	141,932
Amortisation of intangible assets	(3,640)	-	-	-	(3,640)
Depreciation of:					
- property, plant and equipment	(8,043)	-	-	-	(8,043)
- right-of-use assets	(840)	-	-	-	(840)
Interest income	2,247	352	-	202	2,801
Segment profit	103,185	12,959	1,155	14,911	132,210
<b>2020</b>					
<b>Revenue</b>					
Revenue from external customers	272,133	20,184	3,923	7,760	304,000
Inter-segment revenue	402,269	47,277	3,531	-	453,077
Total revenue	674,402	67,461	7,454	7,760	757,077
Adjustments and eliminations					(453,077)
Consolidation revenue					304,000
<b>Results</b>					
Segment profit	126,518	7,547	1,278	4,466	139,809
Finance costs*	(40,858)	(2,287)		(43)	(43,188)
Profit before tax	85,660	5,260	1,278	4,423	96,621
Tax expense					(25,970)
Profit for the financial year					70,651
<b>Assets:</b>					
Segment assets	2,041,317	82,841	427	249,917	2,374,502
<b>Liabilities:</b>					
Segment liabilities	1,319,890	85,434	618	18,023	1,423,965

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 34. SEGMENT INFORMATION (continued)

	Renewable Energy RM'000	Construction & Engineering RM'000	Greentech & Environmental RM'000	Waste management & WTE RM'000	Total RM'000
<b>2020 (continued)</b>					
<b>Other information:</b>					
Adjusted earnings before interest, taxes, depreciation and amortisation ("EBITDA")	130,282	6,615	1,278	11,157	149,332
Amortisation of intangible assets	(5,467)	-	-	-	(5,467)
Depreciation of:					
- property, plant and equipment	(237)	-	-	(7,836)	(8,073)
- right-of-use assets	(538)	-	-	(425)	(963)
Interest income	1,237	932	-	1,570	3,739
Finance income:					
- financial instrument at amortised costs	1,241	-	-	-	1,241
Finance costs*	(40,858)	(2,287)	-	-	(43,145)
Share of results of an associate	-	-	-	(43)	(43)
* Including interest expense recognised in cost of operations.					
<i>Reconciliation between adjusted earnings before interest, taxes, depreciation and amortisation and segment profit and:</i>					
Segment profit	130,282	6,615	1,278	11,157	149,332
Amortisation of intangible assets	(5,467)	-	-	-	(5,467)
Depreciation of:					
- property, plant and equipment	(237)	-	-	(7,836)	(8,073)
- right-of-use assets	(538)	-	-	(425)	(963)
Interest income	1,237	932	-	1,570	3,739
Finance income:					
- financial instrument at amortised costs	1,241	-	-	-	1,241
Adjusted earnings before interest, taxes, depreciation and amortisation ("EBITDA")	126,518	7,547	1,278	4,466	139,809

(a) The following table provides an analysis of the Group's revenue by products:

	Number of customer	Revenue RM'000	Percentage of total revenue %
<b>2021</b>			
Renewable energy		186,270	59%
Engineering & construction		23,732	8%
	5	210,002	67%
<b>2020</b>			
Renewable energy		168,985	56%
Engineering & construction		11,703	4%
	3	180,688	60%

The ultimate customer of these five (2020: three) customers is TNB. They have each signed a 21-year Power Purchase Agreements with TNB.



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 34. SEGMENT INFORMATION (continued)

(b) Additions to non-current assets

	2021 RM'000	2020 RM'000
Intangible assets	33,335	27,158
Property, plant and equipment	199,451	89,375
	232,786	116,533

(c) Geographical information

No segmental information is provided on a geographical basis as the Group's activities are conducted predominantly in Malaysia.

### 35. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to ensure that they maintain a strong credit rating and healthy capital ratio in order to support their business and maximise shareholders' value.

The Group and the Company manage their capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payments to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 October 2021 and 31 October 2020.

The Group and the Company monitor capital using a gearing ratio, which is net debt divided by total equity plus net debt. Net debt comprises loans and borrowings, less short-term fund, deposits, cash and bank balances.

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Loans and borrowings	1,356,458	1,219,074	27,497	25,704
Less: Deposits, cash and bank balances	(298,457)	(359,380)	(74,457)	(74,130)
Net debt	1,058,001	859,694	(46,960)	(48,426)
Total equity	1,190,534	950,537	602,836	472,200
<b>Capital and net debt</b>	<b>2,248,535</b>	<b>1,810,231</b>	<b>555,876</b>	<b>423,774</b>
<b>Gearing ratio</b>	<b>47%</b>	<b>47%</b>	<b>N/A</b>	<b>N/A</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2021

### 36. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

#### (a) COVID-19 pandemic

The COVID-19 pandemic has affected the country and resulted in travel restriction, lockdown, social distancing and other precautionary measures imposed in various countries.

The Group and the Company have performed assessments on the overall impact of the situation on the Group's and the Company's operations and financial implications, including the recoverability of the carrying amount of assets and subsequent measurement of assets and liabilities, and concluded that there was no material adverse effect on the financial statements for the financial year ended 31 October 2021.

Given the fluid situation, the Directors are unable to reasonably estimate the financial impacts of COVID-19 pandemic for the financial year ending 31 October 2022 to be disclosed in the financial statements as assessment of the COVID-19 pandemic impacts is a continuing process. The Directors will continuously monitor any material changes to future economic conditions that will affect the Group and the Company.

#### (b) Private Placement

On 19 November 2021, the Company announced that the issue price for 3,398,290 placement shares, being the fourth (4th) tranche of the Private Placement, had been fixed at RM0.95 per placement share. The issue price represented a discount of RM0.0017 or approximately 0.18% to the 5-day VWAP of the CRB shares up to and including 18 November 2021 of RM0.9517 per CRB share. The Private Placement was completed on 1 December 2021, following the listing of and quotation for 3,398,290 placement shares on the even date.

On 6 December 2021, the Company announced the issue price of RM0.95 per placement share for the fifth and final tranche. The issue price represented a premium of RM0.0814 or approximately 9.37% to the 5-day VWAP of the CRB shares up to and including 2 December 2021, being the last market day immediate preceding the price-fixing date of RM0.8686 per CRB share. On 17 December 2021, the Private Placement had been completed for 15,000,000 units placement shares.

### 37. COMPARATIVE FIGURES

Arising from the Purchase Price Allocation ("PPA") exercise carried out on the acquisition of BAC Biogas as disclosed in Note 8(c). The impact to the financial statements of the Group for the financial year ended 31 October 2020 are as follows:

	As previously stated RM'000	Reclassification RM'000	As reclassified RM'000
<b>Group</b>			
<b>31 October 2020</b>			
<b>Statements of Financial Position</b>			
<b>Non-current assets</b>			
Plant and equipment	288,572	4,505	293,077
Intangible assets	890,859	(4,505)	886,354

## STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

We, **TAN SRI RAZALI BIN ISMAIL** and **DATO' DAUD BIN AHMAD**, being two of the directors of Cypark Resources Berhad, do hereby state that in the opinion of the directors, the accompanying financial statements are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 October 2021 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of directors:

**TAN SRI RAZALI BIN ISMAIL**  
Director

**DATO' DAUD BIN AHMAD**  
Director

Kuala Lumpur  
Date: 19 January 2022

## STATUTORY DECLARATION

Pursuant to Section 251(1) of the Companies Act 2016

I, **DATO' DAUD BIN AHMAD**, being the director primarily responsible for the financial management of Cypark Resources Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

**DATO' DAUD BIN AHMAD**  
Director

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 19 January 2022.

Before me,

# INDEPENDENT AUDITORS' REPORT

to the Members of Cypark Resources Berhad  
(Incorporated in Malaysia)

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of Cypark Resources Berhad, which comprise the statements of financial position as at 31 October 2021 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 60 to 136.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 October 2021, and of their financial performance and their cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

### Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence and Other Ethical Responsibilities*

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Group

#### **Impairment assessment of intangible assets (Notes 4(a) and 7 to the financial statements)**

The Group has significant balances of concession rights and development expenditure. There is a risk the future performance of the assets may not lead to their carrying values being recoverable in full. Significant judgements are required in the recoverable amount calculation and assumptions supporting the underlying cash flow projections. We focused on this area because the impairment assessment on the intangible assets requires the application of significant judgements and estimates on the assumptions used by the directors in the preparation of the underlying cash flow projections. Changes in assumptions could significantly affect the results of the Group's tests for impairment of intangible assets.

### Our audit response:

Our audit procedures included, among others:

- understanding the process over the updating of the assumptions used in the preparation of the cash flow projections;
- comparing the Group's assumptions to our assessments in relation to key assumptions to assess their reasonableness;
- testing the mathematical computation of the recoverable amount calculation; and
- performing a sensitivity analysis around the key assumptions that are expected to be more sensitive to the recoverable amount.

## INDEPENDENT AUDITORS' REPORT

to the Members of Cypark Resources Berhad  
(Incorporated in Malaysia)

### Key Audit Matters (continued)

#### Group (continued)

#### Recoverability of trade receivables and contract assets (Notes 4(b), 12 and 13 to the financial statements)

The Group has significant trade receivables and contract assets as at 31 October 2021 which include certain amounts which are long outstanding. We focused on this area because the Group made significant judgements over assumptions about risk of default and expected loss rate. In making the assumptions, the Group selected inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of the reporting period.

#### Our audit response:

Our audit procedures included, among others:

- understanding the design and implementation of controls associated with monitoring of outstanding receivables and contract assets and impairment calculation;
- developing understanding of significant credit exposures which were significantly overdue or deemed to be in default through analysis of ageing reports and other collection or legal reports prepared by management;
- obtaining confirmation of balances from selected receivables;
- reviewing the agreement/letter of award with customers;
- checking subsequent receipts, customer correspondence, and considering level of activity with the customer and management explanation on recoverability with significantly past due balances; and
- assessing the reasonableness and calculation of expected credit losses as at the end of the reporting period.

#### Revenue recognition for construction and engineering contracts (Notes 4(c) and 23 to the financial statements)

The amount of revenue of the Group's construction and engineering activities is recognised over the period of contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of performance obligation is determined by reference to proportion of construction costs incurred for works performed to date bear to the estimated total costs for each project. We focused on this area because significant directors' judgement is required, in particular with regards to determining the progress towards satisfaction of a performance obligation, the extent of the construction costs incurred, the estimated total construction contracts revenue and costs, as well as the recoverability of the construction contracts projects. The estimated total revenue and costs are affected by a variety of uncertainties that depend on the outcome of future events.

#### Our audit response:

Our audit procedures included, among others:

- reading the terms and conditions of agreements with customers;
- understanding the Group's process in preparing project budget and the calculation of the progress towards anticipated satisfaction of a performance obligation;
- assessing the reasonableness of computed progress towards anticipated satisfaction of a performance obligation for certain identified projects against architect or consultant certificate;
- comparing the Group's assumptions to our assessments in relation to key assumptions to assess their reasonableness;
- performing the sensitivity analysis of key assumptions by assessing the impacts of these key assumptions and inputs that are expected to be most sensitive to the recoverable amount; and
- checking the mathematical computation of recognised revenue and corresponding costs for certain projects during the financial year.

#### Company

We have determined that there were no key audit matters to communicate in our regard which arose from the audit of the financial statements of the Company.

## INDEPENDENT AUDITORS' REPORT

to the Members of Cypark Resources Berhad  
(Incorporated in Malaysia)

### INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

The directors of the Company are responsible for overseeing the Group's financial reporting process.

### AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

## INDEPENDENT AUDITORS' REPORT

to the Members of Cypark Resources Berhad  
(Incorporated in Malaysia)

### AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 8 to the financial statements.

### OTHER MATTERS

1. The financial statements of the Group and of the Company for the financial year ended 31 October 2020 were audited by another firm of chartered accountants whose report dated 25 January 2021 expressed an unmodified opinion on those financial statements.
2. This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

**Baker Tilly Monteiro Heng PLT**  
201906000600 (LLP0019411-LCA) & AF 0117  
Chartered Accountants

**Ng Zu Wei**  
No. 03545/12/2022 J  
Chartered Accountant

Kuala Lumpur  
Date: 19 January 2022



# ANALYSIS OF SHAREHOLDINGS

as at 19 January 2022

Class of equity security	: Ordinary shares
Voting rights	: One vote per ordinary share
Total number of issued shares	: 596,459,743 (including the treasury shares of 7,630,100)

## ANALYSIS OF SHAREHOLDINGS

### Ordinary shares

Size of Shareholdings	No. of Shareholders	%	No. of Shares Held	%
1 – 99	138	1.15	4,604	0.00
100 – 1,000	1,907	15.93	1,294,616	0.22
1,001 – 10,000	6,713	56.07	32,559,212	5.53
10,001 – 100,000	2,818	23.54	86,752,278	14.73
100,001 – 29,441,481 (*)	394	3.29	403,106,949	68.46
29,441,482 and above (**)	2	0.02	65,111,984	11.06
<b>TOTAL</b>	<b>11,972</b>	<b>100.00</b>	<b>588,829,643</b>	<b>100.00</b>

Remarks: \* Less than 5% of issued shares

\*\* 5% and above of issued shares

## SUBSTANTIAL SHAREHOLDERS' INTERESTS

The name and shareholdings of the substantial shareholders of Cypark Resources Berhad based on the Register of Substantial Shareholders of the Company as at 19 January 2022 are as follows:

### Ordinary Shares

Substantial shareholders	Direct Interest		Indirect Interest	
	Number of Shares	%	Number of Shares	%
Tan Sri Razali bin Ismail	35,541,820	6.04	–	–
Dato' Daud bin Ahmad	59,005,884	10.02	–	–
Employees Provident Fund Board	35,183,450	5.98	–	–
AmanahRaya Trustees Berhad – Amanah Saham Bumiputera	30,000,000	5.09	–	–

## DIRECTORS' INTERESTS

The Directors' interests based on the Register of Directors' shareholdings of the Company as at 19 January 2022 are as follows:

### Ordinary shares

Directors	Direct Interest		Indirect Interest	
	Number of Shares	%	Number of Shares	%
Tan Sri Razali bin Ismail	35,541,820	6.04	–	–
Dato' Daud bin Ahmad (also the Group Chief Executive Officer)	59,005,884	10.02	–	–
Dato' Dr. Freezailah bin Che Yeom	815,900	0.14	–	–
Datuk Abdul Malek bin Abdul Aziz	212,400	0.04	–	–
Headir bin Mahfidz	386,650	0.07	–	–
Megat Abdul Munir bin Megat Abdullah Rafeaie	455,800	0.08	–	–

## ANALYSIS OF SHAREHOLDINGS

as at 19 January 2022

### DIRECTORS' INTERESTS (continued)

#### Employees' Share Options Scheme

Directors	Number of Options	%
Tan Sri Razali bin Ismail	4,000,000	11.93
Dato' Daud bin Ahmad (also the Group Chief Executive Officer)	19,525,000	58.23
Dato' Dr. Freezailah bin Che Yeom	–	–
Datuk Abdul Malek bin Abdul Aziz	50,000	0.15
Headir bin Mahfidz	–	–
Megat Abdul Munir bin Megat Abdullah Rafaie	–	–

### THIRTY LARGEST SECURITIES ACCOUNT HOLDERS

#### Ordinary shares

No.	Shareholders	No. of Shares	%
1.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Dato' Daud Bin Ahmad</i>	35,111,984	5.96
2.	AmanahRaya Trustees Berhad <i>Amanah Saham Bumiputera</i>	30,000,000	5.09
3.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Tan Sri Razali Bin Ismail</i>	23,026,600	3.91
4.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Employees Provident Fund Board</i>	18,905,250	3.21
5.	AmanahRaya Trustees Berhad <i>Public Smallcap Fund</i>	16,661,800	2.83
6.	Lembaga Tabung Haji <i>Lembaga Tabung Haji, Bahagian Pemerosesan Pelaburan</i>	16,493,800	2.80
7.	RHB Capital Nominees (Tempatan) Sdn. Bhd. <i>RHB Islamic Bank Berhad – Pledged Securities Account for Abdul Wahid Bin Omar</i>	15,000,000	2.55
8.	RHB Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Dato' Daud Bin Ahmad</i>	12,999,300	2.21
9.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Tan Sri Razali Bin Ismail (8095427)</i>	12,515,220	2.13
10.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Employees Provident Fund Board (CIMB PRIN)</i>	11,441,400	1.94
11.	Malacca Equity Nominees (Tempatan) Sdn. Bhd. <i>Exempt AN for Phillip Capital Management Sdn. Bhd. (EPF)</i>	8,813,900	1.50
12.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Etiqa Life Insurance Berhad (Growth)</i>	8,499,600	1.44
13.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Kumpulan Wang Persaraan (Diperbadankan) (Principal Eqits)</i>	7,403,400	1.26
14.	Malacca Equity Nominees (Tempatan) Sdn. Bhd. <i>Exempt AN for Phillip Capital Management Sdn. Bhd.</i>	7,154,690	1.22
15.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Great Eastern Life Assurance (Malaysia) Berhad (LPF)</i>	7,138,600	1.21

## ANALYSIS OF SHAREHOLDINGS

as at 19 January 2022

### THIRTY LARGEST SECURITIES ACCOUNT HOLDERS (continued)

#### Ordinary shares

No.	Shareholders	No. of Shares	%
16.	AmanahRaya Trustees Berhad <i>Amanah Saham Malaysia 3</i>	7,117,900	1.21
17.	RHB Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Dato' Daud Bin Ahmad</i>	6,224,900	1.06
18.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Great Eastern Life Assurance (Malaysia) Berhad (DR)</i>	5,952,950	1.01
19.	RHB Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Tan Swee Loon</i>	5,655,000	0.96
20.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Etiqa Life Insurance Berhad (Dana Ekt Prima)</i>	5,626,100	0.96
21.	Malacca Equity Nominees (Tempatan) Sdn. Bhd. <i>Exempt AN for Phillip Capital Management Sdn. Bhd.</i>	5,044,200	0.86
22.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Employees Provident Fund Board (ARIM)</i>	4,836,800	0.82
23.	Citigroup Nominees (Asing) Sdn. Bhd. <i>Exempt AN for Citibank New York (Norges Bank 19)</i>	4,750,000	0.81
24.	AmanahRaya Trustees Berhad <i>PB Smallcap Growth Fund</i>	4,738,200	0.80
25.	TA Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Dato' Daud Bin Ahmad</i>	4,669,700	0.79
26.	AmanahRaya Trustees Berhad <i>Amanah Saham Bumiputera 2</i>	4,631,400	0.79
27.	CIMB Group Nominees (Tempatan) Sdn. Bhd. <i>CIMB Commerce Trustee Berhad for Kenanga Shariah Growth Opportunities Fund (50156 TR01)</i>	4,580,600	0.78
28.	AmanahRaya Trustees Berhad <i>ASN Equity 2</i>	4,267,800	0.72
29.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Mohammed Amin Bin Mahmud (MM1004)</i>	4,044,400	0.69
30.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Great Eastern Takaful Berhad (Mekar)</i>	3,878,300	0.66
<b>TOTAL</b>		<b>307,183,794</b>	<b>52.17</b>

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Seventeenth Annual General Meeting (“**17<sup>th</sup> AGM**”) of the Company will be held on a **virtual basis** via Remote Participation and Voting at the broadcast venue at Securities Services (Holdings) Sdn. Bhd., Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan on Monday, 28 March 2022 at 10:00 a.m. for the purpose of considering and, if thought fit, to pass the following resolutions with or without modifications:

## AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 October 2021 together with the Reports of the Directors and the Auditors thereon. (Please refer to Note 7)
2. To approve the payment of Directors’ fees for the financial year ending 31 October 2022 and thereafter. (Resolution 1)
3. To re-elect the following Directors who are due to retire in accordance with Clause 119 of the Company’s Constitution and being eligible, have offered themselves for re-election:
  - (a) Dato’ Dr. Freezailah Bin Che Yeom; and (Resolution 2)
  - (b) Datuk Abdul Malek Bin Abdul Aziz. (Resolution 3)
4. To re-appoint Messrs. Baker Tilly Monteiro Heng PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. (Resolution 4)

As Special Business

To consider and if thought fit, with or without any modification, to pass the following Ordinary Resolutions:

5. **ORDINARY RESOLUTION NO. 1** (Resolution 5)  
**– RETENTION OF DATO’ DR. FREEZAILAH BIN CHE YEOM AS AN INDEPENDENT DIRECTOR** (Please refer to Note 8 (ii))  
 “**THAT** subject to the passing of Resolution 3(a), Dato’ Dr. Freezailah Bin Che Yeom who has served as an Independent Director of the Company for a cumulative term of more than nine years since 8 June 2010, be and is hereby retained as an Independent Director of the Company.”
6. **ORDINARY RESOLUTION NO. 2** (Resolution 6)  
**– RETENTION OF ENCIK HEADIR BIN MAHFIDZ AS AN INDEPENDENT DIRECTOR** (Please refer to Note 8 (ii))  
 “**THAT** Encik Headir Bin Mahfidz who has served as an Independent Director of the Company for a cumulative term of more than nine years since 7 September 2010, be and is hereby retained as an Independent Director of the Company.”
7. **ORDINARY RESOLUTION NO. 3** (Resolution 7)  
**– RETENTION OF ENCIK MEGAT ABDUL MUNIR BIN MEGAT ABDULLAH RAFAIE AS AN INDEPENDENT DIRECTOR** (Please refer to Note 8 (iii))  
 “**THAT** Encik Megat Abdul Munir Bin Megat Abdullah Rafaie who has served as an Independent Director of the Company for a cumulative term of more than nine years since 1 August 2012, be and is hereby retained as an Independent Director of the Company.”
8. **ORDINARY RESOLUTION NO. 4** (Resolution 8)  
**– RETENTION OF DATUK ABDUL MALEK BIN ABDUL AZIZ AS AN INDEPENDENT DIRECTOR** (Please refer to Note 8 (iv))  
 “**THAT** subject to the passing of Resolution 3(b), Datuk Abdul Malek Bin Abdul Aziz who has served as an Independent Director of the Company for a cumulative term of more than nine years since 19 September 2012, be and is hereby retained as an Independent Director of the Company.”

## NOTICE OF ANNUAL GENERAL MEETING

9. **ORDINARY RESOLUTION NO. 5  
– PROPOSED RENEWAL OF EXISTING SHAREHOLDER MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

(Resolution 9)  
(Please refer to Note 8 (v))

**“THAT** subject to the provisions of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, approval be and is hereby given for the Proposed Renewal of Existing Shareholder Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature for the Company and/or its subsidiaries to enter into and to give effect to the category of the recurrent related party transactions of a revenue or trading nature from time to time with the Related Party as specified in Section 1.4 of the Circular/Statement to Shareholders dated 28 February 2022 provided that such transactions are:-

- (i) recurrent transactions of a revenue or trading nature;
- (ii) necessary for the Company’s day-to-day operations;
- (iii) carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and
- (iv) not to the detriment of minority shareholders

(the **“Proposed Shareholder Mandate”**);

**THAT** the authority for the Proposed Shareholder Mandate shall continue to be in force until the earlier of:

- (i) the conclusion of the next Annual General Meeting (**“AGM”**) of the Company at which time it will lapse unless the authority is renewed by a resolution passed at the next AGM;
- (ii) the expiration of the period within which the next AGM is to be held pursuant to Section 340(2) of the Companies Act 2016 (**“the Act”**) but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act; or
- (iii) is revoked or varied by resolution passed by the shareholders in a general meeting before the next AGM;

**AND THAT** the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required), as they may consider expedient or necessary to give effect to the Proposed Shareholder Mandate.”

## NOTICE OF ANNUAL GENERAL MEETING

### 10. **ORDINARY RESOLUTION NO. 6** **– PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK**

(Resolution 10)  
(Please refer to Note 8 (vi))

**“THAT** subject to the Companies Act 2016, Bursa Malaysia Securities Berhad (**“Bursa Securities”**) Main Market Listing Requirement, the Constitution of the Company, and all other applicable laws, rules and regulations, approval be and is hereby given to the Company to purchase such number of ordinary shares as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit, necessary and expedient in the interest of the Company (**“Proposed Share Buy-Back”**), provided that:

- (a) the aggregate number of ordinary shares to be purchased by the Company shall not exceed 10% of the total number of issued shares of the Company at any point in time; and
- (b) the maximum fund to be allocated by the Company for the purpose of purchasing its ordinary shares shall not exceed the total retained profits of the Company based on the latest audited financial statements and/or the latest unaudited financial statements (where applicable) available at the time of the purchase.

**THAT** the authority conferred by this resolution shall continue to be in force until:

- (i) the conclusion of the next Annual General Meeting (**“AGM”**) of the Company following this AGM at which this resolution was passed at which time the said authority shall lapse unless by an ordinary resolution passed at that next AGM, the authority is renewed, either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- (iii) the authority is revoked or varied by ordinary resolution passed by the shareholders in a general meeting, whichever, occurs first, but not so as to prejudice the completion of the purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and/or any other relevant governmental and/or regulatory authorities (if any).

**THAT** upon completion of the purchase by the Company of its own ordinary shares, the Directors be and are hereby authorised to deal with the ordinary shares purchased in their absolute discretion in the following manners:

- (a) cancel all the ordinary shares so purchased; and/or
- (b) retain the ordinary shares so purchased as treasury shares for distribution as dividend to the shareholders and/or resell on the market of Bursa Securities and/or transfer under an employees’ share scheme and/or transfer as purchase consideration; and/or
- (c) retain part thereof as treasury shares and cancel the remainder.

**AND THAT** the Directors be and are hereby authorised to take all such steps as necessary (including the opening and maintaining of depository account(s) under the Securities Industry (Central Depositories) Act, 1991) and enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time or as the Board may in their discretion deem necessary and to do all such acts and things the Directors may deem fit and expedient in the best interest of the Company.”

## NOTICE OF ANNUAL GENERAL MEETING

11. **ORDINARY RESOLUTION NO. 7  
– AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016**

[Resolution 11]  
(Please refer to Note 8 (vii))

“**THAT** subject always to the Companies Act 2016 (“**the Act**”), the Constitution of the Company and the approvals from Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and any other relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered pursuant to the Act, to issue and allot shares in the capital of the Company from time to time at such price and upon such terms and conditions, for such purposes and to such person or persons whomsoever the Directors may in their absolute discretion deem fit provided always that the aggregate number of shares issued pursuant to this resolution does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being as stipulated under Paragraph 6.03(1) of the Bursa Securities Main Market Listing Requirements (hereinafter referred to as the “**General Mandate**”);

**AND THAT** the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so be issued pursuant to the General Mandate on Bursa Securities;

**AND FURTHER THAT** such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company

12. **ORDINARY RESOLUTION NO. 8  
– PROPOSED RENEWAL OF THE AUTHORITY TO ALLOT AND ISSUE NEW ORDINARY SHARES IN CYPARK RESOURCES BERHAD (“CRB” OR “THE COMPANY”) (“CRB SHARES”), FOR THE PURPOSE OF THE DIVIDEND REINVESTMENT SCHEME (“DRS”) OF THE COMPANY WHICH WILL PROVIDE THE SHAREHOLDERS OF CRB WITH THE OPTION TO ELECT TO REINVEST THEIR CASH DIVIDEND IN CRB SHARES (“PROPOSED RENEWAL OF DRS AUTHORITY”)**

[Resolution 12]  
(Please refer to Note 8 (viii))

“**THAT** pursuant to the DRS as approved by the Shareholders at the Tenth Annual General Meeting of the Company held on 21 April 2015 and subject to the approval of the relevant regulatory authorities (if any), approval be and is hereby given to the Directors to allot and issue such number of new CRB Shares from time to time as may be required to be allotted and issued pursuant to the DRS until the conclusion of the next Annual General Meeting upon such terms and conditions as stated in Circular to Shareholders dated 30 March 2015, **PROVIDED THAT** the issue price of the said new CRB Shares shall be fixed by the Board of Directors at not more than ten percent (10%) discount to the five (5)-market day volume weighted average market price (“**VWAP**”) of CRB Shares immediately preceding the price-fixing date, of which the VWAP shall be adjusted ex-dividend before applying the said discount in fixing the issue price;

**AND THAT** the Directors of the Company be and are hereby authorised to do all such acts and enter into all such transactions, arrangements and documents as may be necessary or expedient in order to give full effect to the DRS with full power to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed or agreed to by any relevant authorities or consequent upon the implementation of the said conditions, modifications, variations and/or amendments or at the discretion of the Directors in the best interest of the Company.”

13 **To transact any other ordinary business of which due notice shall have been given.**

By Order of the Board

**CHUA SIEW CHUAN (MAICSA 0777689)/SSM PC NO.: 201908002648**

**YEOW SZE MIN (MAICSA 7065735)/SSM PC NO.: 201908003120**

Company Secretaries

Kuala Lumpur

Dated: 28 February 2022



## NOTICE OF ANNUAL GENERAL MEETING

### Notes:

1. In respect of deposited securities, only members/shareholders whose names appear in the Record of Depositors on 16 March 2022 shall be eligible to participate and vote at the Meeting.
2. A member/shareholder of the Company entitled to participate and vote at the Meeting is entitled to appoint one (1) or more proxies to exercise all or any of his rights to attend, participate, speak and vote in his stead.

As guided by the Securities Commission's Guidance and FAQs on the Conduct of General Meetings for Listed Issuers, the right to speak is not limited to verbal communication only but includes other modes of expression. Therefore, all members/shareholders and proxies shall communicate with the main/broadcast venue of the Meeting via real time submission of typed texts through a text box within Securities Services e-Portal's platform during the live streaming of the Meeting as the primary mode of communication. In the event of any technical glitch in this primary mode of communication, members/shareholders and proxies may email their questions to [eservices@sshhsb.com.my](mailto:eservices@sshhsb.com.my) during the Meeting. The questions and/or remarks submitted by the members/shareholders and/or proxies will be broadcasted and responded by the Chairman/Board/relevant adviser during the Meeting.

The broadcast venue, which is the main venue of the Meeting is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 and Clause 79 of the Company's Constitution, which require the Chairman to be present at the main venue of the Meeting. Members and proxies will not be allowed to be physically present at the broadcast venue on the day of the Meeting.

3. A member/shareholder may appoint more than one (1) proxy in relation to the Meeting, provided that the member/shareholder specifies the proportion of the member/shareholder's shareholdings to be represented by each proxy. A proxy may but need not be a member/shareholder of the Company and a member/shareholder may appoint any person to be his proxy without limitation. There shall be no restriction as to the qualification of the proxy.
4. The instrument appointing a proxy shall be in writing under the hand of the member/shareholder/appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under Common Seal or under the hand of an officer or attorney duly authorised.
5. Where a shareholder of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
6. Appointment of proxy and registration for remote participation and voting

The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarised certified copy of that power or authority, shall be deposited at the Registered Office of the Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan or submitted via fax at 03-2094 9940 and/or 03-2095 0292 or emailed to [info@sshhsb.com.my](mailto:info@sshhsb.com.my), not less than forty-eight (48) hours before the time for holding the Meeting or any adjournment thereof. The proxy appointment may also be lodged electronically via Securities Services e-Portal at <https://sshhsb.net.my/>. The lodging of the Form of Proxy will not preclude any member/shareholder from participating and voting remotely at the Meeting should any member/shareholder subsequently wishes to do so, provided a notice of termination of proxy authority in writing is given to the Company and deposited at the Registered Office of CRB at Level 7, Menara Milenium, Jalan Damanlela, Damansara Heights, 50490 Kuala Lumpur not less than twenty-four (24) hours before the time stipulated for holding the Meeting or any adjournment thereof. Please contact the poll administrator, SS E Solutions Sdn. Bhd., at 03-2084 9000 for further assistance.

Should you wish to personally participate at the Meeting remotely, please register electronically via Securities Services e-Portal at <https://sshhsb.net.my/>.

Please refer to the **Administrative Guide** on the Conduct of a Virtual General Meeting available for download at [https://cypark.listedcompany.com/misc/agm/cypark\\_administrative\\_guide\\_for\\_agm.pdf](https://cypark.listedcompany.com/misc/agm/cypark_administrative_guide_for_agm.pdf) for further details.

## NOTICE OF ANNUAL GENERAL MEETING

7. This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Act does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

8. Explanatory Note to Special Business:

### (i) **Resolution 5 – Retention of Dato’ Dr. Freezailah Bin Che Yeom as an Independent Director**

Dato’ Dr. Freezailah Bin Che Yeom (“**Dato’ Dr. Freezailah**”) was appointed as an Independent Director of the Company on 8 June 2010 and has served the Board for a cumulative term of more than nine years. The Board of Directors of the Company, through its Nomination Committee, after having assessed the independence of Dato’ Dr. Freezailah, still regards him to be independent based amongst others, the following justifications, and recommends that Dato’ Dr. Freezailah be retained as an Independent Director of the Company subject to the approval from the shareholders of the Company:

- (a) Dato’ Dr. Freezailah has fulfilled the definition of an independent director as set out under Paragraph 1.01 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements:
- is not an executive director of the Company or any related corporation (each corporation is referred to as “**said Corporation**”);
  - has not been within the last 3 years, an officer (except as an independent director) of the said Corporation. [“**officer**” has the meaning given in Section 2 of the Companies Act 2016];
  - is not a major shareholder of the said Corporation;
  - is not a family member of any executive director, officer or major shareholder of the said Corporation;
  - is not acting as a nominee or representative of any executive director or major shareholder of the said Corporation;
  - has not been engaged as an adviser by the said Corporation under such circumstances as prescribed by Bursa Malaysia Securities Berhad (“**the Exchange**”) or is not presently a partner, director (except as an independent director) or major shareholder, as the case may be, of a firm or corporation which provides professional advisory services to the said Corporation under such circumstances as prescribed by the Exchange; or
  - has not engaged in any transaction with the said Corporation under such circumstances as prescribed by the Exchange, or is not presently a partner, director or major shareholder, as the case may be, of a firm or corporation (other than subsidiaries of the applicant or listed issuer) which has engaged in any transaction with the said Corporation under such circumstances as prescribed by the Exchange;
  - is not a director who is accepting compensation from the said Corporation, other than compensation for board service for the current or immediate financial year; or
  - is not having a relationship which would interfere with the exercise of independent judgement in carrying out the functions as a director or a member of the Audit Committee, Nomination Committee and Remuneration Committee.
- (b) Dato’ Dr. Freezailah has not been involved in any business or other relationship which could hinder the exercise of independent judgement, objectivity or his ability to act in the best interests of the Company;
- (c) Dato’ Dr. Freezailah has no potential conflict of interest, whether business or non-business related with the Company;
- (d) Dato’ Dr. Freezailah has not established or maintained any significant personal or social relationship, whether direct or indirect, with the Executive Chairman, Group Chief Executive Officer, major shareholders or management of the Company (including their family members) other than normal engagements and interactions on a professional level consistent with his duties and expected of him to carry out his duties as an independent director; and
- (e) Dato’ Dr. Freezailah does not derive any remuneration and other benefits apart from Directors’ fees that are approved by shareholders.

## NOTICE OF ANNUAL GENERAL MEETING

### (ii) Resolution 6 – Retention of Encik Headir Bin Mahfidz as an Independent Director

Encik Headir Bin Mahfidz (“**Encik Headir**”) was appointed as an Independent Director of the Company on 7 September 2010 and has served the Board for a cumulative term of more than nine years. The Board of Directors of the Company, through its Nomination Committee, after having assessed the independence of Encik Headir, still regards him to be independent based amongst others, the following justifications, and recommends that Encik Headir be retained as an Independent Director of the Company subject to the approval from the shareholders of the Company:

- (a) Encik Headir has fulfilled the definition of an independent director as set out under Paragraph 1.01 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements:
- is not an executive director of the Company or any related corporation (each corporation is referred to as “**said Corporation**”);
  - has not been within the last 3 years, an officer (except as an independent director) of the said Corporation. [“**officer**” has the meaning given in Section 2 of the Companies Act 2016];
  - is not a major shareholder of the said Corporation;
  - is not a family member of any executive director, officer or major shareholder of the said Corporation;
  - is not acting as a nominee or representative of any executive director or major shareholder of the said Corporation;
  - has not been engaged as an adviser by the said Corporation under such circumstances as prescribed by Bursa Malaysia Securities Berhad (“**the Exchange**”) or is not presently a partner, director (except as an independent director) or major shareholder, as the case may be, of a firm or corporation which provides professional advisory services to the said Corporation under such circumstances as prescribed by the Exchange; or
  - has not engaged in any transaction with the said Corporation under such circumstances as prescribed by the Exchange, or is not presently a partner, director or major shareholder, as the case may be, of a firm or corporation (other than subsidiaries of the applicant or listed issuer) which has engaged in any transaction with the said Corporation under such circumstances as prescribed by the Exchange;
  - is not a director who is accepting compensation from the said Corporation, other than compensation for board service for the current or immediate financial year; or
  - is not having a relationship which would interfere with the exercise of independent judgement in carrying out the functions as a director or a member of the Audit Committee, Risk Management Committee and Nomination Committee.
- (b) Encik Headir has not been involved in any business or other relationship which could hinder the exercise of independent judgement, objectivity or his ability to act in the best interests of the Company;
- (c) Encik Headir has no potential conflict of interest, whether business or non-business related with the Company;
- (d) Encik Headir has not established or maintained any significant personal or social relationship, whether direct or indirect, with the Executive Chairman, Group Chief Executive Officer, major shareholders or management of the Company (including their family members) other than normal engagements and interactions on a professional level consistent with his duties and expected of him to carry out his duties as an independent director; and
- (e) Encik Headir does not derive any remuneration and other benefits apart from Directors’ fees that are approved by shareholders.

## NOTICE OF ANNUAL GENERAL MEETING

### (iii) Resolution 7 – Retention of Encik Megat Abdul Munir Bin Megat Abdullah Rafaie as an Independent Director

Encik Megat Abdul Munir Bin Megat Abdullah Rafaie (“**Encik Megat**”) was appointed as an Independent Director of the Company on 1 August 2012 and has served the Board for a cumulative term of more than nine years from 1 August 2021 onwards. The Board of Directors of the Company, through its Nomination Committee, after having assessed the independence of Encik Megat, still regards him to be independent based amongst others, the following justifications, and recommends that Encik Megat be retained as an Independent Director of the Company subject to the approval from the shareholders of the Company:

- (a) Encik Megat has fulfilled the definition of an independent director as set out under Paragraph 1.01 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements:
- is not an executive director of the Company or any related corporation (each corporation is referred to as “**said Corporation**”);
  - has not been within the last 3 years, an officer (except as an independent director) of the said Corporation. [“**officer**” has the meaning given in Section 2 of the Companies Act 2016];
  - is not a major shareholder of the said Corporation;
  - is not a family member of any executive director, officer or major shareholder of the said Corporation;
  - is not acting as a nominee or representative of any executive director or major shareholder of the said Corporation;
  - has not been engaged as an adviser by the said Corporation under such circumstances as prescribed by Bursa Malaysia Securities Berhad (“**the Exchange**”) or is not presently a partner, director (except as an independent director) or major shareholder, as the case may be, of a firm or corporation which provides professional advisory services to the said Corporation under such circumstances as prescribed by the Exchange; or
  - has not engaged in any transaction with the said Corporation under such circumstances as prescribed by the Exchange, or is not presently a partner, director or major shareholder, as the case may be, of a firm or corporation (other than subsidiaries of the applicant or listed issuer) which has engaged in any transaction with the said Corporation under such circumstances as prescribed by the Exchange;
  - is not a director who is accepting compensation from the said Corporation, other than compensation for board service for the current or immediate financial year; or
  - is not having a relationship which would interfere with the exercise of independent judgement in carrying out the functions as a director or a member of the Audit Committee, Risk Management Committee and Nomination Committee.
- (b) Encik Megat has not been involved in any business or other relationship which could hinder the exercise of independent judgement, objectivity or his ability to act in the best interests of the Company;
- (c) Encik Megat has no potential conflict of interest, whether business or non-business related with the Company;
- (d) Encik Megat has not established or maintained any significant personal or social relationship, whether direct or indirect, with the Executive Chairman, Group Chief Executive Officer, major shareholders or management of the Company (including their family members) other than normal engagements and interactions on a professional level consistent with his duties and expected of him to carry out his duties as an independent director; and
- (e) Encik Megat does not derive any remuneration and other benefits apart from Directors’ fees that are approved by shareholders.

## NOTICE OF ANNUAL GENERAL MEETING

### (iv) Resolution 8 – Retention of Datuk Abdul Malek Bin Abdul Aziz as an Independent Director

Datuk Abdul Malek Bin Abdul Aziz (“**Datuk Malek**”) was appointed as an Independent Director of the Company on 19 September 2012 and has served the Board for a cumulative term of more than nine years from 19 September 2021 onwards. The Board of Directors of the Company, through its Nomination Committee, after having assessed the independence of Datuk Malek, still regards him to be independent based amongst others, the following justifications, and recommends that Datuk Malek be retained as an Independent Director of the Company subject to the approval from the shareholders of the Company:

- (a) Datuk Malek has fulfilled the definition of an independent director as set out under Paragraph 1.01 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements:
- is not an executive director of the Company or any related corporation (each corporation is referred to as “**said Corporation**”);
  - has not been within the last 3 years, an officer (except as an independent director) of the said Corporation. [“**officer**” has the meaning given in Section 2 of the Companies Act 2016];
  - is not a major shareholder of the said Corporation;
  - is not a family member of any executive director, officer or major shareholder of the said Corporation;
  - is not acting as a nominee or representative of any executive director or major shareholder of the said Corporation;
  - has not been engaged as an adviser by the said Corporation under such circumstances as prescribed by Bursa Malaysia Securities Berhad (“**the Exchange**”) or is not presently a partner, director (except as an independent director) or major shareholder, as the case may be, of a firm or corporation which provides professional advisory services to the said Corporation under such circumstances as prescribed by the Exchange; or
  - has not engaged in any transaction with the said Corporation under such circumstances as prescribed by the Exchange, or is not presently a partner, director or major shareholder, as the case may be, of a firm or corporation (other than subsidiaries of the applicant or listed issuer) which has engaged in any transaction with the said Corporation under such circumstances as prescribed by the Exchange;
  - is not a director who is accepting compensation from the said Corporation, other than compensation for board service for the current or immediate financial year; or
  - is not having a relationship which would interfere with the exercise of independent judgement in carrying out the functions as a director or a member of the Risk Management Committee and Remuneration Committee.
- (b) Datuk Malek has not been involved in any business or other relationship which could hinder the exercise of independent judgement, objectivity or his ability to act in the best interests of the Company;
- (c) Datuk Malek has no potential conflict of interest, whether business or non-business related with the Company;
- (d) Datuk Malek has not established or maintained any significant personal or social relationship, whether direct or indirect, with the Executive Chairman, Group Chief Executive Officer, major shareholders or management of the Company (including their family members) other than normal engagements and interactions on a professional level consistent with his duties and expected of him to carry out his duties as an independent director; and
- (e) Datuk Malek does not derive any remuneration and other benefits apart from Directors’ fees that are approved by shareholders.

### (v) Resolution 9 – Proposed Shareholder Mandate

The proposed Resolution 9 is intended to enable the Company and/or its subsidiaries (“**the Group**”) to enter into recurrent related party transactions or a revenue or trading nature which are necessary for the Group’s day-to-day operations to facilitate transactions in the normal course of business of the Group with the specified classes of related parties, provided that they are carried out on an arms’ length basis and on normal commercial terms and are not prejudicial to the shareholders on terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

Please refer to the Circular/Statement to Shareholders dated 28 February 2022 for further information.

## NOTICE OF ANNUAL GENERAL MEETING

### (vi) Resolution 10 – Proposed Authority for the Company to Purchase Its Own Shares

The proposed Resolution 10 is intended to allow the Company to purchase its own shares up to 10% of the total number of issued shares in the ordinary share capital of the Company at any time within the time period stipulated in the Bursa Malaysia Securities Berhad Main Market Listing Requirements.

Please refer to the Circular/Statement to Shareholders dated 28 February 2022 for further information.

### (vii) Resolution 11 – Authority to Issue Shares

The proposed Resolution 11 is intended to renew the authority granted to the Directors of the Company at the Sixteenth Annual General Meeting of the Company held on 8 April 2021 (“**Previous Mandate**”) to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of the shares issued does not exceed 10% of the total number of issued shares of the Company for the time being (hereinafter referred to as the “**General Mandate**”).

Pursuant to the Previous Mandate, the Company has undertaken a private placement exercise in five (5) tranches where 104,998,290 new ordinary shares have been issued as at the date of this Notice, with total proceeds raised of RM97,230,376.

The details of the utilisation of proceeds from the abovementioned corporate exercise are as follows:

Purpose	Proposed Utilisation RM	Actual Utilisation RM	Balance RM	Estimated Timeframe for Utilisation
Development cost for a solar power plant facility	96,000,000	62,000,000	34,000,000	Within 15 months
Partial repayment of bank borrowings	780,376	780,376	-	Fully utilised
Expenses on the private placement	450,000	450,000	-	Fully utilised
<b>Total</b>	<b>97,230,376</b>	<b>63,230,376</b>	<b>34,000,000</b>	

The said General Mandate will provide flexibility to the Company to raise additional funds expeditiously and efficiently during this challenging time to meet its funding requirements including but not limited to working capital, operational expenditures, investment project(s) and/or acquisition(s).

The Board, having considered the current and prospective financial position, needs and capacity of the Group, is of the opinion that the General Mandate is in the best interests of the Company and its shareholders.

### (viii) Resolution 12 – Proposed Renewal of DRS Authority

The proposed Resolution 12, if approved, will give authority to the Directors to allot and issue new CRB Shares under the DRS, until the conclusion of the next Annual General Meeting. A renewal of this authority will be sought at subsequent Annual General Meetings.

#### Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, participate, speak and vote at the 17th AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member’s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “Purposes”), (ii) warrants that where the member discloses the personal data of the member’s proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member’s breach of warranty.



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

## FORM OF PROXY

CDS Account No.	Mobile/contact number

\*I/We (full name), \_\_\_\_\_  
 bearing \*NRIC No./Passport No./Company No. \_\_\_\_\_  
 of (full address) \_\_\_\_\_

being a \*member/members of Cypark Resources Berhad (“the Company”) hereby appoint:

### First Proxy “A”

Full Name (in Block)	NRIC/ Passport No.	Proportion of Shareholdings	
			%

and\*

### Second Proxy “B”

Full Name (in Block)	NRIC/ Passport No.	Proportion of Shareholdings	
			%

# to put on a separate sheet where there are more than two (2) proxies

or failing \*him/her, the \*Chairman of the Meeting as \*my/our proxy to vote for \*me/us and on \*my/our behalf at the Seventeenth Annual General Meeting of the Company to be held on a virtual basis via Remote Participation and Voting at the broadcast venue at Securities Services (Holdings) Sdn. Bhd., Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan on Monday, 28 March 2022 at 10:00 a.m. and at any adjournment thereof.

Please indicate with an “X” in the spaces provided below as to how you wish your votes to be casted. If no specific direction as to voting is given, the proxy will vote or abstain from voting at \*his/her discretion.

Item	Agenda	Resolution	For	Against
1.	To receive the Audited Financial Statements for the financial year ended 31 October 2021 together with the Reports of the Directors and the Auditors thereon.			
2.	To approve the payment of Directors’ fees for the financial year ending 31 October 2022 and thereafter.	1		
3(a).	To re-elect Dato’ Dr. Freezailah Bin Che Yeom, who is due to retire in accordance with Clause 119 of the Company’s Constitution and being eligible, has offered himself for re-election.	2		
3(b).	To re-elect Datuk Abdul Malek Bin Abdul Aziz, who is due to retire in accordance with Clause 119 of the Company’s Constitution and being eligible, has offered himself for re-election.	3		
4.	To re-appoint Messrs. Baker Tilly Monteiro Heng PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.	4		
<b>Special Business</b>				
5.	To retain Dato’ Dr. Freezailah Bin Che Yeom as an Independent Director of the Company.	5		
6.	To retain Encik Headir bin Mahfidz as an Independent Director of the Company.	6		
7.	To retain Encik Megat Abdul Munir Bin Megat Abdullah Rafea as an Independent Director of the Company.	7		
8.	To retain Datuk Abdul Malek Bin Abdul Aziz as an Independent Director of the Company.	8		
9.	Proposed Renewal of Existing Shareholder Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.	9		
10.	Proposed Renewal of Authority for Share Buy-Back.	10		
11.	Authority to Issue Shares pursuant to the Companies Act 2016.	11		
12.	Proposed Renewal of Authority to Issue Shares pursuant to the Dividend Reinvestment Scheme.	12		

As witness my/our hand(s) this day \_\_\_\_\_ of \_\_\_\_\_, 2022.

\_\_\_\_\_  
 \*Signature/Common Seal of Member

\* Strike out whichever not applicable



Notes:

1. In respect of deposited securities, only members/shareholders whose names appear in the Record of Depositors on 16 March 2022 shall be eligible to participate and vote at the Meeting.
2. A member/shareholder of the Company entitled to participate and vote at the Meeting is entitled to appoint one (1) or more proxies to exercise all or any of his rights to attend, participate, speak and vote in his stead.  
As guided by the Securities Commission's Guidance and FAQs on the Conduct of General Meetings for Listed Issuers, the right to speak is not limited to verbal communication only but includes other modes of expression. Therefore, all members/shareholders and proxies shall communicate with the main/broadcast venue of the Meeting via real time submission of typed texts through a text box within Securities Services e-Portal's platform during the live streaming of the Meeting as the primary mode of communication. In the event of any technical glitch in this primary mode of communication, members/shareholders and proxies may email their questions to [eservices@sshb.com.my](mailto:eservices@sshb.com.my) during the Meeting. The questions and/or remarks submitted by the members/shareholders and/or proxies will be broadcasted and responded by the Chairman/Board/relevant adviser during the Meeting.  
The broadcast venue, which is the main venue of the Meeting is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 and Clause 79 of the Company's Constitution, which require the Chairman to be present at the main venue of the Meeting. Members and proxies will not be allowed to be physically present at the broadcast venue on the day of the Meeting.
3. A member/shareholder may appoint more than one (1) proxy in relation to the Meeting, provided that the member/shareholder specifies the proportion of the member/shareholder's shareholdings to be represented by each proxy. A proxy may but need not be a member/shareholder of the Company and a member/shareholder may appoint any person to be his proxy without limitation. There shall be no restriction as to the qualification of the proxy.
4. The instrument appointing a proxy shall be in writing under the hand of the member/shareholder/appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under Common Seal or under the hand of an officer or attorney duly authorised.
5. Where a shareholder of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
6. **Appointment of proxy and registration for remote participation and voting**  
The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarised certified copy of that power or authority, shall be deposited at the Registered Office of the Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan or submitted via fax at 03-2094 9940 and/or 03-2095 0292 or emailed to [info@sshb.com.my](mailto:info@sshb.com.my), not less than forty-eight (48) hours before the time for holding the Meeting or any adjournment thereof. The proxy appointment may also be lodged electronically via Securities Services e-Portal at <https://sshb.net.my/>. The lodging of the Form of Proxy will not preclude any member/shareholder from participating and voting remotely at the Meeting should any member/shareholder subsequently wishes to do so, provided a notice of termination of proxy authority in writing is given to the Company and deposited at the Registered Office of CRB at Level 7, Menara Milenium, Jalan Damanlela, Damansara Heights, 50490 Kuala Lumpur not less than twenty-four (24) hours before the time stipulated for holding the Meeting or any adjournment thereof. Please contact the poll administrator, SS E Solutions Sdn. Bhd., at 03-2084 9000 for further assistance.  
Should you wish to personally participate at the Meeting remotely, please register electronically via Securities Services e-Portal at <https://sshb.net.my/>.  
Please refer to the **Administrative Guide** on the Conduct of a Virtual General Meeting available for download at [https://cypark.listedcompany.com/misc/agm/cypark\\_administrative\\_guide\\_for\\_agm.pdf](https://cypark.listedcompany.com/misc/agm/cypark_administrative_guide_for_agm.pdf) for further details.

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STAMP

The Company Secretary  
**CYPARK RESOURCES BERHAD**  
[200401004491 (642994-H)]

Securities Services (Holdings) Sdn Bhd  
[197701005827 (36869-T)]

Level 7, Menara Milenium, Jalan Damanlela  
Pusat Bandar Damansara, Damansara Heights  
50490 Kuala Lumpur

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**Cypark**

**CYPARK RESOURCES BERHAD**

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