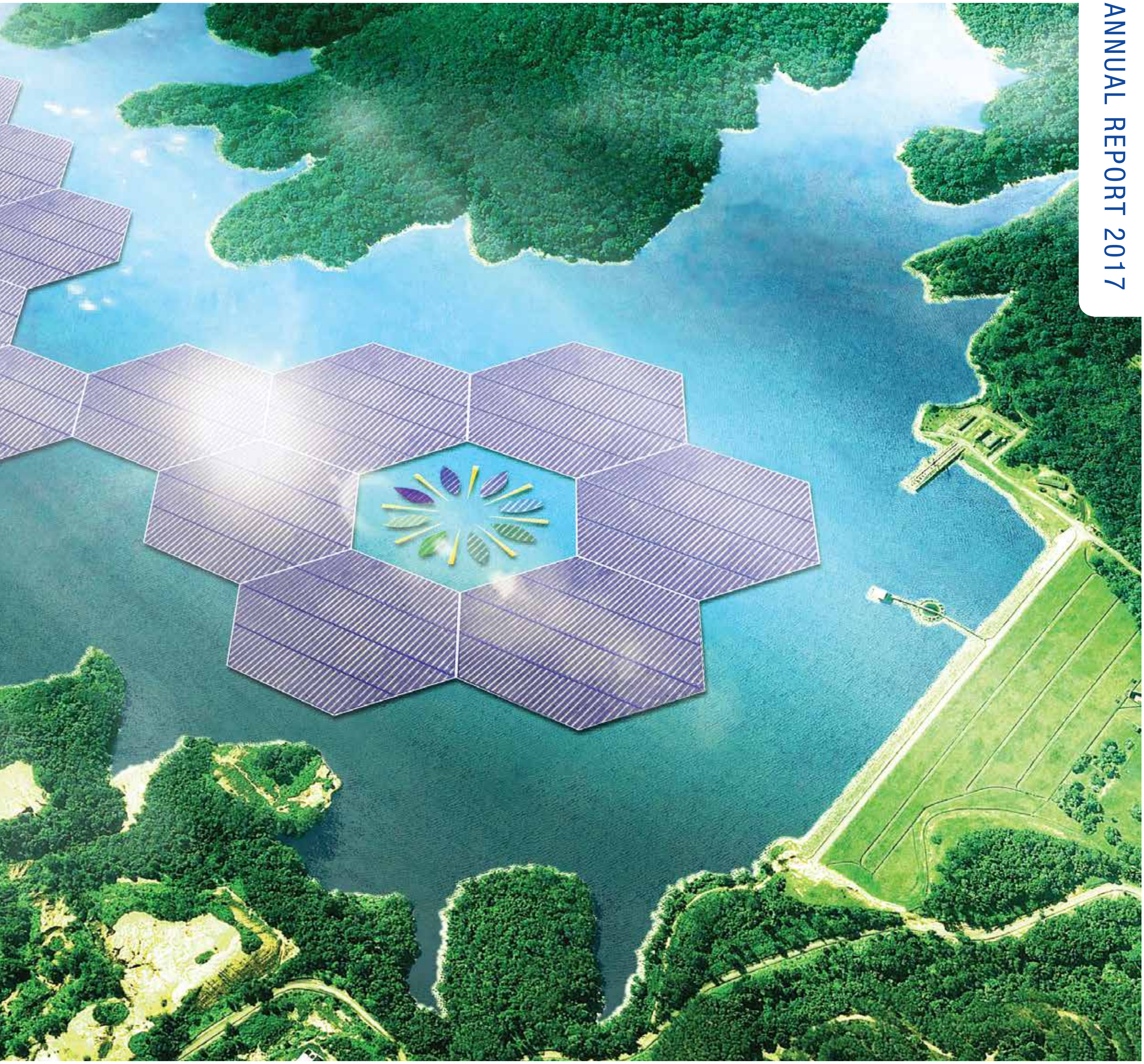
ANNUAL REPORT 2017



ENERGISING A SUSTAINABLE FUTURE

Cypark

FACTS AT A GLANCE

SANITARY LANDFILL RECEIVING WASTE CAPACITY
1,000
TONNES PER DAY

WASTE-TO-ENERGY PLANT PROCESSED WASTE CAPACITY
600
TONNES PER DAY

CAPACITY OF RENEWABLE ENERGY FROM SOLAR PROJECTS
30.76
MWP

RENEWABLE ENERGY GENERATION FROM 2012 TO 2017
185,293.72
MWH

AVOIDANCE OF CARBON DIOXIDE EQUIVALENCE (CO2 EQ)
127,852.67
TONNES

EQUIVALENCE TO COAL BURNED
6,345
TONNES

REVENUE
RM301.7
MILLION

ADJUSTED EBITDA
RM 97.6
MILLION

PROFIT AFTER TAX
RM57.6
MILLION

NET ASSET 2017
RM507.2
MILLION

OUR COMPANY

Cypark Resources Berhad is a public listed company on the Main Board of Bursa Malaysia since 2009. The company has been Malaysia's pioneering developer and provider in integrated renewable energy, green technology, environmental engineering solutions, and construction engineering.

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

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

OUR VALUES

Quality – enhanced living quality through superior services

Teamwork – solidified human capital towards Company's philosophy, vision, and mission

Consistency – constant innovation, professionalism, and delivery

Diligence – energised commitment in execution, products, and services

Professionalism – fostered performance through integrity and commendable work ethics

Compassion – honesty, care, attention, and maintenance for the environment and more importantly, the people

OUR LOGO RATIONALE

Cypark

Blue – Water
Green – Flora and Fauna
Orange – Sun rays

The combination in circle denotes sustainability, balance, and progression; Cypark's goals in delivering solutions to the environment, national growth, and society.

BOARD OF DIRECTORS

Tan Sri Razali bin Ismail
Executive Chairman
Non-Independent Executive Director

Dato' Daud bin Ahmad
Group Chief Executive Officer
Non-Independent Executive Director

Encik Headir bin Mahfidz
Independent Non-Executive Director

Datuk Abdul Malek bin Abdul Aziz
Independent Non-Executive Director

Dato' Dr. Freezailah bin Che Yeom
Independent Non-Executive Director

Encik Megat Abdul Munir bin Megat Abdullah Rafaie
Independent Non-Executive Director

Artistic impression of the Company's large scale floating solar at Empangan Terip, Negeri Sembilan. Once completed, the project, comprising 180 acres, will be the largest floating solar in Malaysia, with the capacity of generating up to 181,568.52 MWh.

Scan this QR code to view Cypark's Website



Solid biomass fuel


Solid biomass fuel

Green Technology

Green Technology Segment is Cypark's latest strategic focus, through which the Company offers to develop new and pioneering technology and solutions derived from its other already successful business segments.

World Population Data Sheet has indicated that the world population is expected to be 9.9 billion by 2050. As the population increases, the needs for energy will rise. This calls for efforts in efficient energy and energy storage.

Cypark has identified opportunities to develop Net Energy Metering (NEM) Project as offered by Malaysia's SEDA, Energy Effienciency Project and Energy Storage Technology to manage supply of electricity in creating a more flexible and strong energy infrastructure and energy from diesel replacement projects.

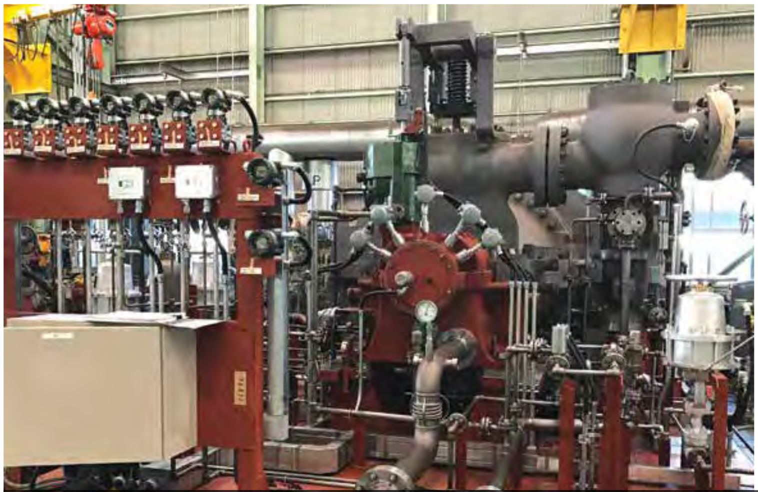
Cypark has also successfully manufactured and exported Biomass Solid Fuel (BSF) from Empty Fruit Bunches (EFB). This BSF is currently marketed and sold overseas replacing fossil fuels such as coal in the process of producing heat to produce electricity.

With its strong financial position, Cypark is able to offer to its customers Project Finance Initiative (PFI) Leasing Programs with the aim of providing a Zero Cost Entry to participate in the Renewable Energy Projects and Green Technology Projects.

Various initiatives and support from the government boost the growth of green technology sector for the future. Cypark remains committed in this concerted national effort in contributing to a better living quality.

Energy Storages

Floating solar



Waste to energy

Renewable Energy

Renewable Energy Segment is Cypark's fastest growing and largest business segment, producing energy in the form of electricity from renewable resources mainly from solar, biogas, biomass, municipal solid waste, and organic waste.

The Company has the undisputed experience to finance, engineer and develop renewable energy projects offered by Malaysia's Sustainable Energy Development Authority (SEDA) and the Energy Commission (EC) for the Company's own projects, and its customers.

As the most innovative and largest developer of Renewable Energy Projects in Malaysia, it has developed Ground Mounted Solar Projects, Roof Mounted Solar Projects, Building Integrated Photovoltaic (BIPV) Solar Projects, Agriculture Integrated Photovoltaic (AIPV) Solar Projects, Floating Solar Projects, Biogas to Energy Project, Waste-to-Energy Projects and Biomass to Energy Projects and won numerous awards locally and internationally.

Cypark's promising business activities in solar power signifies less consumption of fossil fuels and reduced greenhouse gas emissions, eventually minimises the negative environmental hazards. As an experienced developer in renewable energy, Cypark is cost-efficient and resource-effective which lead the Company to be sustainable in its business activities.

Cypark continues with innovations by focusing on development of renewable energy projects which are unconventional through utilisation of non-productive, abandoned and degraded land areas.

Agri-integrated Solar


Waste management


Sustainable Engineered Restoration

Environmental Engineering & Solutions

Environmental Engineering & Solutions segment provides services in contaminated ground assessment, remediation, restoration and information system. Cypark undertakes the effort to minimise or avoid the impact of climate change to the local and global environment by offering broad range of integrated services which include preservation, prevention, containment and treatment procedures and technologies with proper application of scientific and engineering principle of Best Available Techniques Not Entailing Excessive Cost (BATNEEC) Approach.

We develop wholistic and innovative approaches that offer solutions to our clients including sanitary landfills, inert landfills, secured landfills, waste management facilities, safe closure of dump sites, waste water treatment, and upgrading of existing landfills and other waste management facilities.

Our integrated services offer not only technical but also financial solution to make sure the implementation of the projects is feasible and fast tracked.

As part of the global sustainability programme, the Company provides opportunity for the clients to embark into remedial and restoration of land from contaminated or degraded sites into renewable energy parks and green technology projects.

Our experienced team has to date successfully completed more than 600 acres of remediation and restoration work of contaminated ground spanning over 20 landfill projects across the country.

Cypark offers clients with innovative and cutting-edge solutions. The overall end goal is to provide solutions to challenging environmental problems and impacts, reduce health and safety hazards to the public, and safeguard the natural environment, subsequently minimises the inherent risks from the contaminants released into the surrounding.

Waste management

Concrete Structures

Specialist Works

Construction Engineering

Registered with the Construction Industry Development Board (CIDB) as a Grade 7 construction company, Cypark takes pride as the nation's leading expert in the construction of waste water treatment plants, sanitary landfills, waste management facilities, waste-to-energy plants, and large scale solar farms with involvement as EPCC turnkey contractors for more than 200MW green power projects.

Over the past 20 years, we have also accumulated extensive experience in a wide scope of services ranging from construction of infrastructure, waterfronts, parks, landscaping, residential and commercial buildings, schools and colleges, resorts and specialist hospitals.

Spearheaded by a highly capable and professional management team, the Company has received recognitions internationally and regionally. The engineering and construction team is led by qualified heads of departments with vast experience, supported by a full force of devoted engineers and other professionals.

Our experience spans across a comprehensive engineering and construction service cycle – from feasibility study to conceptual and detailed design; procurement and logistic to direct construction and project management to testing and commissioning.

In collaboration with world renowned technical partners and vendors providing cutting edge technology and design, Cypark offers complete engineering and construction solutions to both government and private sectors.

Cypark's successfully delivered projects amongst others are SILK highway in Putrajaya, Fairview International School in Johor Bahru, KPJ Johor Specialist Hospital in Johor Bahru, Palm Jumeirah Marina in Dubai, UAE, Hamad Asian Games Village in Doha, Qatar and several housing projects in Johor Bahru under Johor Land Berhad.

Landscape

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.

Contents

Scan this QR code to view our digital version Cypark's Annual Report 2017.

INVESTORS RELATIONS AND KEY PERFORMANCE HIGHLIGHTS

INVESTOR RELATIONS

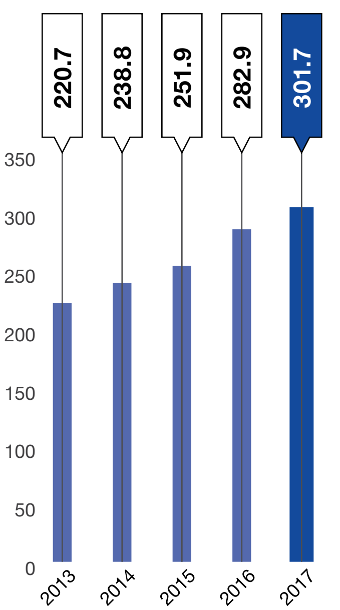
Cypark Resources Berhad maintains strong relations with existing and potential investors, financial analysts, and stakeholders through constant and proactive engagements and communication. In engaging the investment community, the Investor Relations (IR) team, led by the Group Chief Executive Officer and Group Chief Financial Officer identifies key investors' interests, issues, and concerns, and develops best approaches and engagements in responding to the relevant interests and concerns. The team leads, drives, and facilitates investors' relations efforts and communication to ensure greater involvement with the investment community.

Presentations, meetings, and site visits are among the engagement activities which have allowed access to the Company's management for better understanding of the latest updates in the industry. Financial and stock reports, information on governance and the Company's commitment, and latest announcements are continuously updated on Cypark's IR portal on the website for the investment community's access.

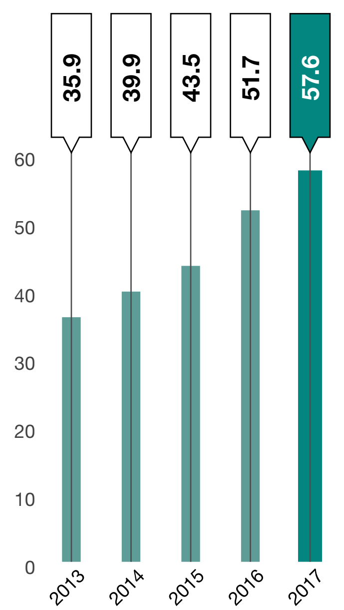
KEY PERFORMANCE HIGHLIGHTS

Financial Year	2013	2014	2015	2016	2017
Revenue	220,665,368	238,794,822	251,853,256	282,929,184	**301,684,427**
Net Profit	35,924,431	39,942,249	43,515,979	51,713,230	**57,602,659**
Net Assets	219,355,995	285,801,050	393,530,834	440,320,772	**507,233,636**
Basic Earnings Per Share (sen)	21.79	21.70	20.74	20.66	**22.50**
Net Asset Per Share	1.23	1.45	1.58	1.74	**1.94**

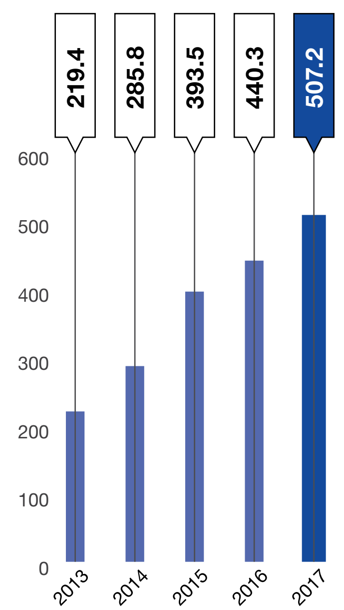
REVENUE
(RM'MILLION)



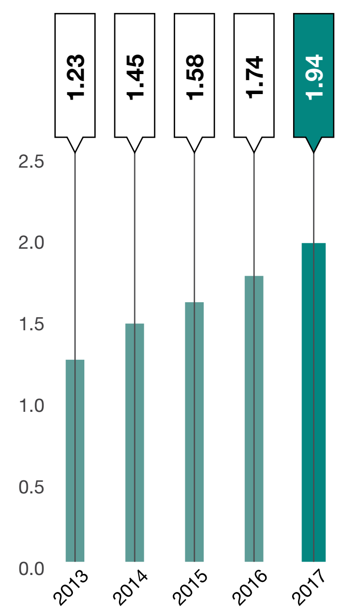
NET PROFIT
(RM'MILLION)



NET ASSETS
(RM'MILLION)



NET ASSET PER SHARE
(SEN)



AWARDS & ACCOLADES

1. **ASEAN Energy Award**
   Special Submission Category of the ASEAN Best Practices Renewable Energy Project Award 2014

2. **MALAYSIAN GREENTECH AWARDS**
   Malaysia Top 30 Green Catalyst for 2014
   GreenTech Developer Award 2012 (Silver)

3. **Finance Asia Magazine**
   Asia's Best Companies 2015
   Best Small Cap Company for Malaysia

4. **POWER & ELECTRICITY AWARDS (ASIA)**
   Solar Project of the Year 2013

5. **ERNST & YOUNG**
   Technology Entrepreneur of the Year 2013

6. **ASIAN POWER AWARDS**
   Power Utility of the Year (Malaysia) 2012

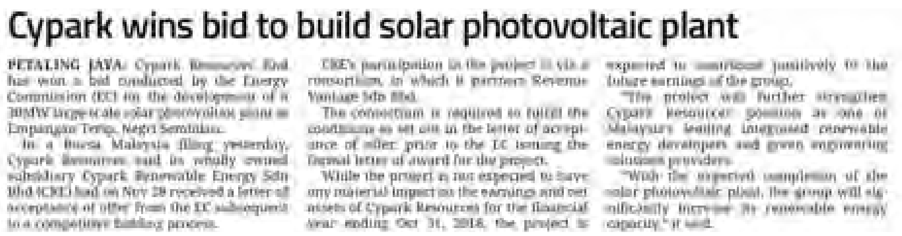
7. **MALAYSIA BOOK OF RECORDS**
   Largest Grid-Connected Solar Park
   Most Number of Solar Panels on a Grid-Connected Solar Park (Safely Close Landfill)

> **"TAKING THE TIME TO RECOGNIZE THE STELLAR WORK ETHIC AND ACHIEVEMENTS IS IMPORTANT."**

MEDIA PRESENCE 2017

Cypark wins bid to build solar photovoltaic plant, The Star, 5 December 2017

> "the project is expected to contribute positively to the future earning of the group"



Cypark wins bid to build solar photovoltaic plant

Cypark in phase two of business transformation

> Group will now focus on green economy after successfully diversifying away from construction and infrastructure

BY EVA YEONG

PETALING JAYA: Cypark Resources Bhd, which has successfully moved from its reliance on construction and infrastructure jobs to that in the green economy, is embarking on the second phase of its business transformation, which is to focus on the concessionaire and recurring business.

For FY16, more than 70% of the group's revenue was contributed by the environmental engineering, green technology and renewable energy segments. Total revenue for FY16 rose 12.3% to RM283 million.

"Now, from 2017 until 2020, we are in the second phase of our business transformation, focusing on the concessionaire and recurring business, so that we are not subjected to fluctuations of the economy," its group CEO Datuk Daud Ahmad (pix) said.

He said the three segments identified will provide the group with growth and more certainty. Moving forward, it expects the three segments to contribute 70-90% of total revenue, with the rest coming from infrastructure and construction.

For FY17, Daud expects revenue to continue growing at 10-20% based on its existing business model.

"Once our Ladang Tanah Merah waste-to-energy plant comes live, which we expect in the first quarter of 2018, that will give us additional revenue of around RM80 million," he added.

For the first quarter ended Jan 31, 2017, net profit rose 11.06% to RM11.34 million from RM10.21 million a year ago while revenue rose 14.09% to RM78.48 million from RM68.79 million a year ago.

The group will, in total, bid for some RM3 billion jobs for this financial year ending Oct 31, 2017.

"We have to date, submitted proposals with the value of the capital expenditure or value of the contract, more than RM2 billion. At the moment, large scale solar (LSS) tenders are open, so it means we will be submitting more. We will also be submitting unsolicited proposals (to our clients and the government)," he told reporters at its AGM yesterday.

Daud said it has identified projects to bid for, in all four segments namely environmental engineering and waste management, green technology, renewable energy, and infrastructure and construction.

Besides LSS tenders, it is also eyeing biogas projects, biomass projects and new sanitary landfills as well as projects in Singapore. The group has already been shortlisted for a government solar project in Singapore and is awaiting official results.

The group is also keen to expand into rest of Asean but will depend on the foreign exchange exposure, sovereign risk, legal framework and financing as well as the timing, and whether it can secure a local partner in those markets.

"We are interested in Asean, but only when we think the time is right, when we are in the position to manage these risks well, then we will enter and we have to structure ourselves when we enter these markets. We need the right partner," he said.

Cypark in phase two of business transformation, The Sun, 12 April 2017

> "Cypark Resources Bhd. which has successfully moved from its reliance on construction and infrastructure jobs to that in the green economy, is embarking on the second phase of its business transformation, which is to focus on the concessionaire and recurring business"

The sun shines on Cypark, The Star, 23 September 2017

> "UOB Kay Hian Research reckons Cypark has growth prospect now that it has transitioned from short-term contracts that are susceptible to economic cycles to concession-related activities, which are more resilient to economic fluctuation"

The sun shines on Cypark

Company stands to gain from renewable energy drive

RENEWABLE ENERGY SECTOR

CYPARK READIES FOR HIGH GROWTH

Company plans to beef up tender book, expand to neighbouring countries

Cypark readies for high growth, NST, 16 October 2017

> "Cypark Resources Bhd is revving into high gear of growth thanks to the fast growing multi billion ringgit renewable energy in Malaysia and SEA"

MEDIA PRESENCE 2017

Kota Belud school to generate income from solar power, Borneo Post, 6 February 2017

> "This is a win-win situation for all involved, for the (Company) as they are the expert in the field, for SJKCC Chung Hwa as it reduces the school's dependency on fuel generated electricity and also the school now has covered parking facility"

Kota Belud school to generate income from solar power


The solar power panels installed at SRJK(C) Kota Belud.

KOTA KINABALU: SRJK(C) Kota Belud has been given an opportunity to generate income as well as reduce its carbon footprint.

The opportunity was provided by Cypark Resources Berhad which sponsored a solar electricity system to the school.

The project was officiated by Minister in the Prime Minister's Department Datuk Seri Abdul Rahman Dahlan in the school on Saturday night.

Abdul Rahman who is also Kota Belud member of parliament, was the guest of honour at the school's Pesta Angpau and Academic Excellence Award program.

Speaking to reporters at the event, Abdul Rahman said that the project was an initiative by the Kota Belud Parliament office to ensure that the school can generate an income.

"From our estimate, SRJK (C) Chung Hwa would be able to generate about RM1,300 a month or about RM15,000 a year for the next 25 years. I would like to express my gratitude to Cypark Resources Berhad for donating the solar panels to the school.

"This is a win win situation for all involved, for the [company] as they are the expert in the field, for SJK(C) Chung Hwa as it reduces the school's dependency on fuel generated electricity and also the school now has a covered parking facility.

"I thank the company for donating to the school. At the same time when the school uses solar [power], it also reduces its carbon footprint. Today 0.05 tonne was reduced and it is like the school planting a tree a week," he said.

On whether the project would be extended to other areas, Abdul Rahman said that it would depend on the quota set by the Energy, Green Technology and Water Ministry.

Cypark expects robust 2018 despite headwinds, Focus Malaysia, 28 January 2017

Cypark expects robust 2018 despite headwinds

Waste-to-energy plant to begin operations this quarter; confident of winning tenders for green projects

CYPARK Resources Bhd, a green energy and engineering solutions provider, is expected to fare better once its waste-to-energy (WTE) plant in Ladang Tanah Merah, Negeri Sembilan, begins operations this quarter.

Its general manager Achmat Nadhirah Ibrahim says the company expects a robust growth in financials next year, backed by other planned green energy projects and revenue from its WTE plant.

"Besides the secured projects, we have participated actively in tenders and direct negotiations with the relevant parties in order to secure more projects locally and overseas," Achmat tells *FocusM*.

On Jan 24, Cypark announced it was awarded a RM15.19 mil landfill remediation project in Pajam, Negeri Sembilan, by the National Solid Waste Management Department.

The renewable energy (RE) sector faces increasing competition and lower feed-in-tariff (FiT) rates but analysts and market observers remain optimistic of Cypark's prospects.

According to iFAST Capital Sdn Bhd senior analyst Lee Lien Xiang, the RE industry has the potential to grow further, given that the country's production of RE-based sources stood at only about 2% as of end-2015.

The government is ramping up its efforts to generate power from renewable sources, as the country is still far from achieving its RE target.

According to Sustainable Energy Development Authority of Malaysia (Seda), the country managed to achieve only 300MW of its 2015 target of producing 985MW of RE. The government has set a target of 2,080MW by 2020.

"It is likely that more players will enter the industry as the demand for RE grows. In contrast to a mature industry, where players will be fighting for market share, it is more likely that RE players will be jointly growing the pie of this relatively small industry," Lee explains.

He adds that RE companies can defend their margin levels and remain competitive by reducing production cost.

"Cost reduction can be achieved through mass production. Since most of the RE technologies operate through assembly lines, economies of scale can be obtained by scaling up their production volumes," Lee says.

He adds that another way to retain the profit margin is to innovate through research and development.

"Continual progress of technology innovation can provide them with a technical edge, be it in production efficiency or significant operational cost reduction, allowing RE companies to defend their profit margin levels over the long term," he says.

According to The Boston Consulting Group (BCG) partner and managing director Aahoosh Sastry, RE companies need to continuously make new bets and develop new projects or increase capacity to manage the decline in revenue.

He adds that the industry is getting more cost competitive with prices of solar panels and wind turbines coming down faster than most industry predictions and consequently the demand has picked up rapidly.

Landfill venture

For the fourth quarter ended Dec 31, 2016, Cypark's net profit rose by 45.32% to RM11.9 mil from RM8.18 mil in the previous corresponding quarter. The company attributes the improved profit to the new tipping fees from its landfill operation and also the increase in income from the environment engineering project at Ladang Tanah Merah.

For FY16, Cypark's net profit rose to RM50.7 mil from RM43.5 mil in the previous year while revenue was higher at RM282.9 mil against RM251.8 mil.

While earnings from WTE will boost its financials only next year, Achmat expects the company's current business segments – solar, environment engineering and solutions, and construction – to continue to generate sustainable income this year.

"We have long-term recurring revenue contribution of more than RM60 mil from sales of green energy and operation and maintenance services. We are also optimistic of the tendered projects,

• Continues on page 19

> "Cypark Resources Bhd., green energy and engineering solutions provider, is expected to fare better once its waste-to-energy (WTE) plant in Tanah Merah, Negeri Sembilan, begins operation"

ew players a testimony to good rospects in RE industry

om page 17

ne of which are at an advanced stage egotiations and will likely be secured year," Achmat adds.

For its construction division, he s the company's PR1MA project is ected to contribute significantly to enue this year. Last February, Perbaan PR1MA Malaysia issued a letter of ent to purchase 562 units of PR1MA nes in Sungai Long, Selangor, from ark.

Despite the better Q4 results and s of the WTE plant, Cypark's share e has remained muted. The counter sed at RM2.09 on Jan 23, up one sen n its closing price of RM2.08 on Dec It is still lower than its year-high of 2.25 on Oct 28 last year.

Achmat believes the lack of investor ticipation stems mainly from the of understanding of the industry.

uch, he says Cypark will continue to cate and provide more information otential investors.

"We believe those who understand interesting our WTE business prosts are stand to gain more by investing y," Achmat adds.

He says the RE industry, which ently attracted new players, is a tesent of Cypark's successful business tegies. "Our success has made Cypark eferred partner for many world-rened green technology providers such Hitachi (Japan), TESCO (Japan) and Terre (France)," he says.

"Our early vision and efforts have ned us a good position as the pioneer irst mover. We will continue to focus enhance our strength in innovation research and development to ensure er offerings and competitive pricing," mat explains.

iFAST's Lee concurs that the market s understanding of RE companies as echnologies are relatively new comed to traditional energy industries.

"It is understandable that investors

e adds.

Lee says the most convincing way r an RE company to demonstrate its tractiveness is through its financial sults. "Companies that could generate stainable earnings that have decent owth over the long term tend to be referable to those that cannot do so," e adds.

However, for new or early-stage RE ompanies, they may still incur losses ue to the huge expenditure costs at the itial stage.

Lee says such companies could owcase the more established RE peers foreign countries, allowing investors have a sense of how RE companies erform in the early stage and how they rogress at a later stage.

He also expects RE to gain market are against other sources, mainly due environmental considerations as well its economic viability.

Despite the cost of RE generation ing relatively higher than fossil fuel, ee says the industry has made signifiant progress in recent years in terms technological advancements. This has sulted in the cost of production being uch lower compared to five years ago.

The poor sentiments on Cypark are so due to the lower FiT fees proposed Seda.

Seda had said the FiT rates for all newable resources, except for small ydropower, will decrease with time cording to their respective annual gression rates.

Degression occurs at the start of each ew calendar year from 2013.

"The degressed or reduced FiT rate r each RE installation is determined by e applicable rate at the date of commencement. Thus RE installations that e completed in later years will have lower FiT rate. However, the rate will ot be reduced any further once the FiT ommencement date has been achieved.

"The basis of the degression rate is at the costs of the RE technologies, just e any other technology, are expected drop as the technologies mature," Seda id in a report.

"The degression rate therefore reflects

CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Razali bin Ismail
Executive Chairman
Non-Independent Executive Director

Encik Headir bin Mahfidz
Independent Non-Executive Director

Dato' Dr. Freezailah bin Che Yeom
Independent Non-Executive Director

Dato' Daud bin Ahmad
Group Chief Executive Officer
Non-Independent Executive Director

Datuk Abdul Malek bin Abdul Aziz
Independent Non-Executive Director

Encik Megat Abdul Munir bin Megat Abdullah Rafaie
Independent Non-Executive Director

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

COMPANY SECRETARIES

Chua Siew Chuan (MAICSA 0777689)
Yeow Sze Min (MAICSA 7065735)

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Damansara Heights
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Fax : 03-2094 9940

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Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
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Fax : 03- 2094 9940

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MAZARS PLT (AF: 001954)
LLP0010622-LCA
Chartered Accountants
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142-A, Jalan Ampang
50450 Kuala Lumpur
Tel : 03-2161 5222

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50050 Kuala Lumpur
Tel : 03-2070 8833

OCBC Bank (Malaysia) Berhad
(295400-W)
Menara OCBC
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50050 Kuala Lumpur
Tel : 03-2034 5034

Standard Chartered Saadiq Berhad
(823437-K)
Menara Standard Chartered
30, Jalan Sultan Ismail
50250 Kuala Lumpur
Tel : 03-2117 7726

Kuwait Finance House (Malaysia) Berhad
(672174-T)
Level 26, Menara Prestige
No.1, Jalan Pinang, P.O. Box 10103
50450 Kuala Lumpur
Tel : 03-2168 0000

STOCK EXCHANGE LISTING

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

CHAIRMAN'S STATEMENT

TAN SRI RAZALI BIN ISMAIL
Executive Chairman
Non-Independent Executive Director

EVERYTHING IS ELECTRICITY. FIRST WAS THE LIGHT (*THE SUN*), AN ENDLESS SOURCE FROM WHICH COMES THE MATERIAL AND IS DISTRIBUTED TO ALL FORMS THAT REPRESENT THE UNIVERSE AND THE EARTH WITH ALL ASPECTS OF LIFE.

Nikola Tesla
1899

Dear Shareholders,

Cypark Resources Berhad, Malaysia's forerunner in green technology, renewable energy, and environmental engineering and construction has continued its spearheading role in energising sustainable quality living environment.

"There's probably 5000 times more solar energy than the humans will ever need. We could cover our highways with solar collectors to make ribbons of energy, and i think that it's really the largest job creation program in the history of the planet that's in front of us. It's a celebration of abundance of human creativity combined with the abundance of the natural world"

William Mcdonough
18 March 2008

CHAIRMAN'S STATEMENT

Cypark believes in conserving the planet and enhancing the quality of the living environment for our present and future generations. We do not inherit the earth from our forefathers, but we borrow it from our children. The day will come when we have to return the planet to them, thus we have to play our part in ensuring its sustainability.

Cypark has been playing its role by harnessing the abundance in the natural resources; sun, water, earth and converting them into a win-win business to all stakeholders. We see the wealth of our natural resources as an opportunity. We believe human creativity is the key to innovation. We believe the combination of creativity and natural resources leads to sustainability, growth, and progression. An equation which reflects the company's underlying principles.

There are aspirations, drivers and triggers, and there are opportunities. But they are not enough. We must act on them, and we must act with creativity, innovation, and determination. We must be obsessed towards making the world sustainable.

Cypark is devoting much resources in research and development, focusing our creativity to harness the abundance of the natural world to provide solutions. At Cypark, efficiency and lowest investment costs possible are the key in the Company's operation. After nearly ten years since Cypark's listing as a public-listed company, I feel that this is just a beginning for a more promising growth and sunnier prospects. The promise is reflected in Cypark's current progressive financial performance and its positive future prospects. Symbolically, the pledge is fostered in the Company's newly launched corporate image and branding which reflects the brand's fresh dynamism in the graphic representation of 3 elements; our green planet, water, and the sun rays – elements in the cycle for energy generation and renewal, thus energising a sustainable future.

"Malaysia intends to reduce its greenhouse gas (GHG) emissions intensity of GDP by 45% by 2030 relative to the emissions intensity of GDP in 2005"

Malaysia's NDC made to the UNFCCC (Paris Agreement),
Submitted in Dec 2015

Cypark's business is befitting the encouraging efforts by our Government for clean environment and renewable energy.

Malaysia's pledge under the Paris Agreement calls for solutions to comply with the commitment. Opportunities arise and Cypark has the expertise, experience and knowledge to provide the solutions. Cypark has the competence, competitive advantage, and external support not only to materialise the commitment, but also to strengthen the Company's contributions. It is the formula for the Company's growth and expansion. In parallel, the Country strengthens its commitment, and Cypark continues its expansion.

"The success of both (Paris Agreement and SDGs), however will depend to a large degree on our momentum on renewable energy, not just for access to affordable, reliable, sustainable, and modern energy for all (SDG7), but for every one of the goals and commitment the global community has set for itself"[1]

Adnan Z. Amin
IRENA Director General
REthinking Energy, 2017

Malaysia's commitment comes hand in hand with the international community who has renewed the ambition to adopt the Paris Agreement and the 2030 for Sustainable Development and its 17 goals.

[1] International Renewable Energy Agency (IRENA), 2017, REthinking Energy 2017: Accelerating the Global Energy Transformation. International Renewable Energy Agency, Abu Dhabi

CHAIRMAN'S STATEMENT

Cypark Integrated Renewable Energy Park, Pajam, Negeri Sembilan

IRENA reported that renewables are now the first-choice preference for expanding, upgrading and modernising power systems internationally. It was further reported that renewable energy is now competitive with conventional sources of electricity, as its costs have been decreasing significantly in recent years.[2]

The global and local expansion in environmental related solutions are growing sustainably. With the expansion, Cypark continues to lead in providing the green energy and environmental engineering solutions. Environment is our business, and it is seamless, as while the Company is advancing, the people, the society, and our children gain benefits from its business activities.

Cypark's consistent and encouraging performance is the collective efforts of the members of the Board, management team, and dedicated employees, who are the strength and strongest capital of the Company; the people who makes the Company. Cypark's performance is the result of their diligence, cooperation, and teamwork.

Robust support from the Government of Malaysia, State Governments, Ministry of Energy, Green Technology and Water, local authorities, SEDA, Malaysia's Energy Commission, and regulators further boost Cypark's growth to become the main player in green technology.

Sincere appreciation is also in order to the shareholders, clients, business associates, partner organisations, and members of the media for the confidence, assurance, and conviction in Cypark's role in moulding a better quality of living.

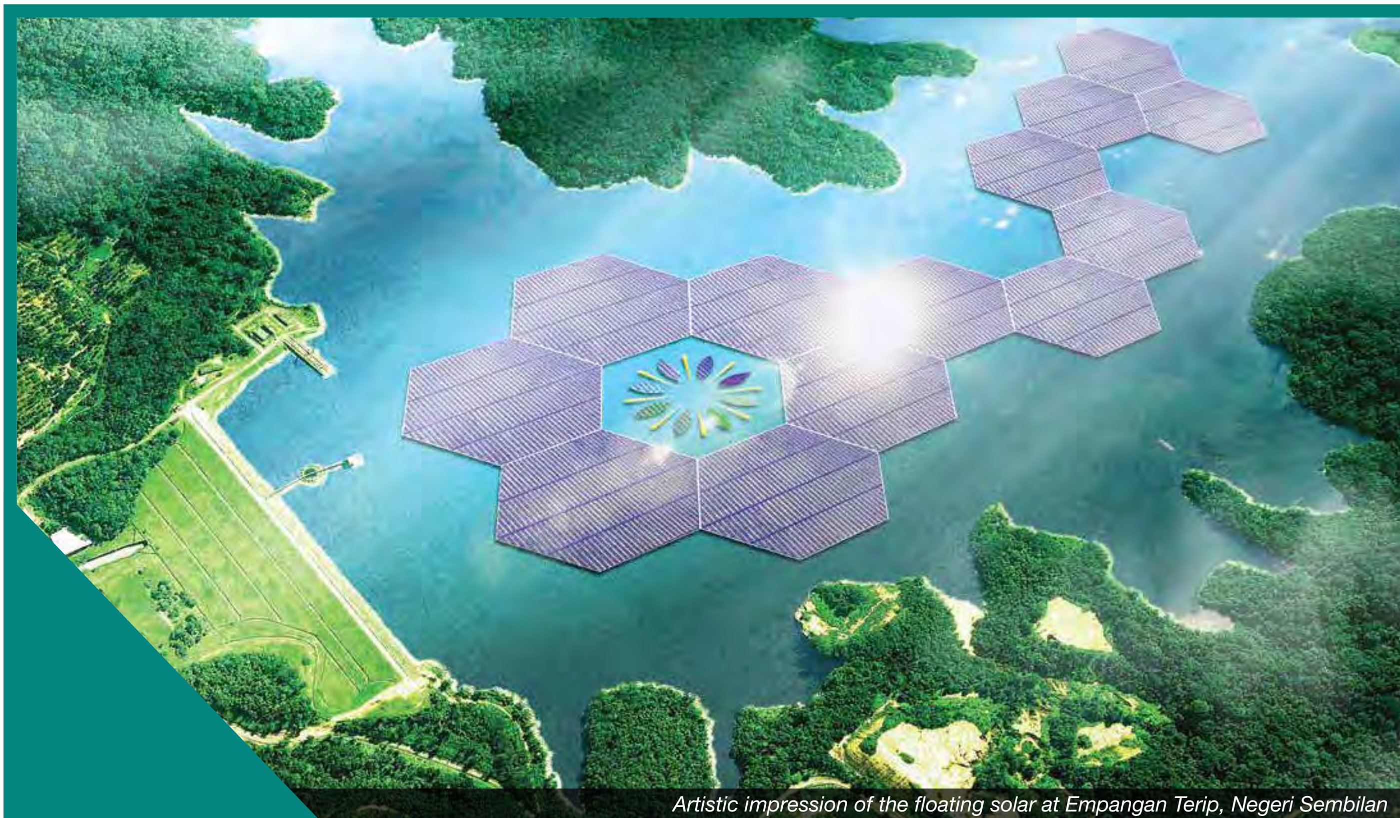
Cypark's business is a win-win formula for all. It is the business for making the world a better place.

Thank you.

TAN SRI RAZALI BIN ISMAIL
Executive Chairman
Non-Independent Executive Director

[2] IRENA (2017), REthinking Energy 2017: Accelerating the Global Energy Transformation. International Renewable Energy Agency, Abu Dhabi

MANAGEMENT DISCUSSION AND ANALYSIS



Artistic impression of the floating solar at Empangan Terip, Negeri Sembilan

COMPANY OVERALL OVERVIEW AND STRATEGY

Cypark Resources Berhad is the leading developer and solutions provider in environmental technology. Cypark focuses on four (4) main business segments: renewable energy; green technology; environmental engineering and solutions; and construction engineering. Strategically, Cypark has its focus on continuous research and development (R&D) in ensuring that the solutions are relevant, creative, and innovative to the needs, objectives, and aspirations of the clients. The Company continuously puts more resources in R&D to ensure efficiency in its operations and management to lower costs and increase productivity. These elements strengthen Cypark's position as a leading player in the industry.

Cypark is continuing the implementation of its transformation plan to enhance its market position as the pioneer and leader in the local green technology market. As Cypark enters the next phase of its transformation plan, the next stage is to heighten its competitive ability by reducing cost through continuous research and development efforts. The business strategy gives Cypark the feasible advantage in competitive bidding process. Through research and development as well, Cypark has the capacity to manage and utilise the abundance of natural resources in

MANAGEMENT DISCUSSION AND ANALYSIS

a more innovative and creative methods, leading to better efficiency in project construction, management and operation. Additionally, stronger financial support from financial institutions reflects their confidence and trust in the Company to deliver the expected results.

The strategic dynamics mentioned have contributed to a bullish 2017 financial performance, which was reflected in the Company's enhanced profit margin. Cypark was given the right to undertake the turnkey EPCC, management and operation contract to develop solar plants by the winners of Large Scale Solar (LSS), and at the end of 2017, Cypark successfully secured the second LSS at Empangan Terip, Negeri Sembilan, both under the Energy Commission (EC). The projects were awarded for the confidence these authorities have in Cypark's technical expertise, experience and proven track record in delivering the intended results.

2017 has seen a continuous shift from short/medium-term contract based revenue to long term, concession-generated income, which enhances Cypark's financial stature to be more sustainable, stable, and balanced against the challenging economic situation locally and internationally. The shift forecasts a stronger financial sustainability in years to come. As such, Cypark remains competitive and is in the forefront of the environment-related business segments.

> **"We are positive on the development as the project will boost Cypark's Environmental Engineering segment orderbook in the next 2 years."**
>
> **PublicInvest Research**
> *5th December 2017*

FINANCIAL REVIEW

Group Highlights

	2013	2014	2015	2016	2017
Revenue	220,665,368	238,794,822	251,853,256	282,929,184	**301,684,427**
Profit Before Tax	43,081,755	42,998,628	50,871,947	60,079,665	**69,589,814**
EBITDA/Adjusted EBITDA	66,823,998	69,109,856	75,895,217	82,413,687	**97,565,686**
Finance Costs	14,253,818	14,911,130	13,064,182	11,809,458	**11,795,017**
Net Profit	35,924,431	39,942,249	43,515,979	51,713,230	**57,602,659**
Shareholders' Equity	219,355,995	285,801,050	393,530,834	440,320,772	**507,233,636**
Total Assets	677,557,188	762,427,100	892,335,633	1,093,087,884	**1,316,705,331**
Borrowings	319,920,924	345,070,917	318,432,852	443,071,008	**567,670,558**
Basic Earnings Per Share (sen)	21.79	21.70	20.74	20.66	**22.50**
Net Asset Per Share	1.23	1.45	1.58	1.74	**1.94**

The consistent financial performance over the last five (5) years and its continuous profitability, project Cypark's upward trend for the future. In the fluctuating world economic situation, the Company's overall performance has proven the Company's financial resilience. The increasing trend also indicates enhanced awareness and seriousness in sourcing for renewable and clean energy.

MANAGEMENT DISCUSSION AND ANALYSIS

PERFORMANCE REVIEW

2017 has seen the Company's progressive development as a leading renewable energy player concentrating on constructing, operating and maintaining creative, resource-efficient, and cost-effective projects.

For the financial year under review ("FYE 2017"), the Group recorded a revenue of RM301.7 million as compared to RM282.9 million in the financial year ended 2016 ("FYE 2016"), which represents an increase of RM18.8 million or 6.6%. The increase in revenue was mainly contributed by the Environmental Engineering segment as the Group had successfully secured several new contracts in the FYE 2017, such as landfill closure and restoration projects as well as the development of Large Scale Solar PV Plant ("LSSPV") projects in Negeri Sembilan.

The adjusted earnings before interest, taxes, depreciation and amortisation ("EBITDA") of the Group for the FYE 2017 had increased significantly by 18.4% or RM15.2 million to RM97.6 million as compared to RM82.4 million as recorded in the FYE 2016. Approximately 93% of the total adjusted EBITDA of the Group for FYE 2017 was contributed by the Environmental Engineering segment and Green Tech & Renewable Energy segment. The commendable performance was mainly attributable to the better margin generated from the contracts secured on the environmental specialist works in Environmental Engineering segment. Green Tech & Renewable Energy segment also continued to generate promising income from the export of green electricity of 30 MW.

Despite the significant increase in adjusted EBITDA, the profit after tax of the Group for the FYE 2017 increased by RM5.9 million or 11.4% to RM57.6 million from RM51.7 million as recorded in FYE 2016. The healthy increase in the profit after tax was achieved despite the additional provisions for the following expenses:

- The recognition of accounting expenses on the grant of Employee Share Options ("ESOS") which amounted to RM5.2 million. The Group always believes that employees are the most important assets of the organisation and the ESOS is to reward and retain employees whilst ensuring their sustained motivation and commitment in contributing to the future growth and expansion of the Group via a greater sense of belonging to the Group; and

- Increase in tax provision made for the non-tax-exempted projects which are in line with the increase in taxable profit generated from the newly secured projects.

Incinerator for waste-to-energy project, Ladang Tanah Merah, Negeri Sembilan. File Pic August 2017

MANAGEMENT DISCUSSION AND ANALYSIS

TOTAL ASSETS

The Group's total assets as at the end of the FYE 2017 grew to RM1,316.7 million from RM1,093.1 million as recorded in the FYE 2016, mainly due to the increase in work activities of the waste-to-energy project at Ladang Tanah Merah which was reflected in the increase in intangible assets.

TOTAL LIABILITIES

The Group's total liabilities as at the end of the FYE 2017 increased to RM809.5 million from RM652.8 million as recorded in the FYE 2016. The increase in total liabilities was mainly attributable to the increase in borrowings for renewable energy assets. The total borrowings of the Group increased significantly to RM567.7 million from RM443.1 million due to the disbursement of the long term bank loans to fund the waste-to-energy project, which is expected to generate long term concessionaire income for a period of 25 years, commencing in the middle of next financial year.

SHARE CAPITAL

In accordance to the no par-value regime of the Companies Act, 2016, the amount standing to the credit of the Company's premium account becomes part of the Company's share capital. The share capital increased to RM288.7 million for the FYE 2017 from RM126.5 million for the FYE 2016. The increase was mainly due to the transfer of RM144.2 million from share premium and the new shares issued via Dividend Reinvestment Scheme ("DRS") of RM10.5 million and the exercise of ESOS amounting to RM7.6 million.

DIVIDEND

The Group's dividend policy is to distribute not less than 25% of the net profit to our shareholders, provided that it would not be detrimental to the cash flow requirements and financing commitments as well as business expansion. The dividend track records are as follows:-

	2012	2013	2014	2015	2016
Net Profit	25,578,401	35,924,431	39,942,249	43,515,979	51,713,230
Total Dividend Paid	6,426,060	9,212,534	10,066,428	12,433,564	13,265,432
Dividend Per Share (sen)	4.00	5.00	5.00	5.00	5.20
Dividend/Net Profit (%)	25	26	25	29	26
Payment Date	13-Jun-13	19-Jun-14	19-Jun-15	14-Jun-16	22-Jun-17

In respect of the FYE 2016, a single-tier dividend of 5.2 sen per share on 255,104,472 ordinary shares amounting to RM13,265,432 was paid on 22 June 2017. A total of 4,800,200 unit of ordinary shares were issued on 22 June 2017 at an issue price of RM2.18 per share under the DRS and the remaining portion of RM2,800,996 was paid in cash on the same day.

At the forthcoming Annual General Meeting, a single-tier dividend in respect of the FYE 2017 of 5.6 sen per share on 261,209,172 ordinary shares, amounting to a dividend payable of RM14,627,714 will be proposed for shareholders' approval. The Board has also resolved to propose that the shareholders be given an option to elect to reinvest the whole or part of the proposed final dividend into new ordinary shares in accordance with the DRS, approved by the shareholders at the CRB's Tenth (10th) Annual General Meeting held on 21 April 2015.

PROSPECTS

The national economy in environmental engineering, renewable energy, and green technology is expected to improve in 2018. This is mainly due to national policies and incentives which provide opportunities for green technology and renewable energy players to enhance their business activities and market presence. The favourable outlook in this area is in line with the global agenda which foresees stronger commitment towards the allocation of more resources for green technology and renewable energy. Expected completion of Ladang Tanah Merah in 2018 is foreseen to contribute substantially to the Company's stable revenue as it is anticipated that RM80 million will be generated annually over the 25-year concession period. Cypark has completed the installation of the largest grid connected floating solar system which is constructed on water source. The project of 270kw floating solar system at Sepri Dam, Negeri Sembilan has transformed how solar project will be developed in the future. The recent successful award of 30.00 MWa.c. LSS floating solar project at

MANAGEMENT DISCUSSION AND ANALYSIS

Empangan Terip, Negeri Sembilan by the Energy Commission to Cypark bodes well with our innovative approach. Once completed, the floating solar project will become one of the largest of its kind in the world. The project is expected to contribute to the Company's sustainability.

Embarking into its prospective years as the thriving 2017 is concluded, Cypark foresees that the boosting financial performance will continue its momentum. In the next phase of the business transformation, Cypark will continue to focus on managing cost and investment, optimising manpower and operation, and increasing productivity and efficacy; eventually boosting its market share and competitive advantage. Cypark will continue to enhance its resources in research and development for continuous innovations and creativity as a solution provider in environmental engineering, green technology, and renewable energy.

Artistic impression of the floating solar at Empangan Terip, Negeri Sembilan

"National Renewable Energy Policy and Action Plan (NREPAP), which was introduced in 2009, electricity generated from renewable sources – which encompasses solar PV, biomass, biogas, mini hydro, and solid wastes – is expected to reach 11,227GWh by the year 2020." [1]

Cypark's business focus and strategy have proven their merit as amply demonstrated in its performance highlighted during the year under review. The emphasis for the future is to foster its four main business segments: renewable energy; green technology; environmental engineering and solutions; and construction engineering.

The Company expects to put more resources into the four segments through which Cypark anticipates to enhance its capacity to realise future opportunities.

[1] Energy Malaysia, Volume 12/2017

MANAGEMENT DISCUSSION AND ANALYSIS

"Its (solar) power generation has zero greenhouse emission, making it another clean energy source that is viable in Malaysia."[2]

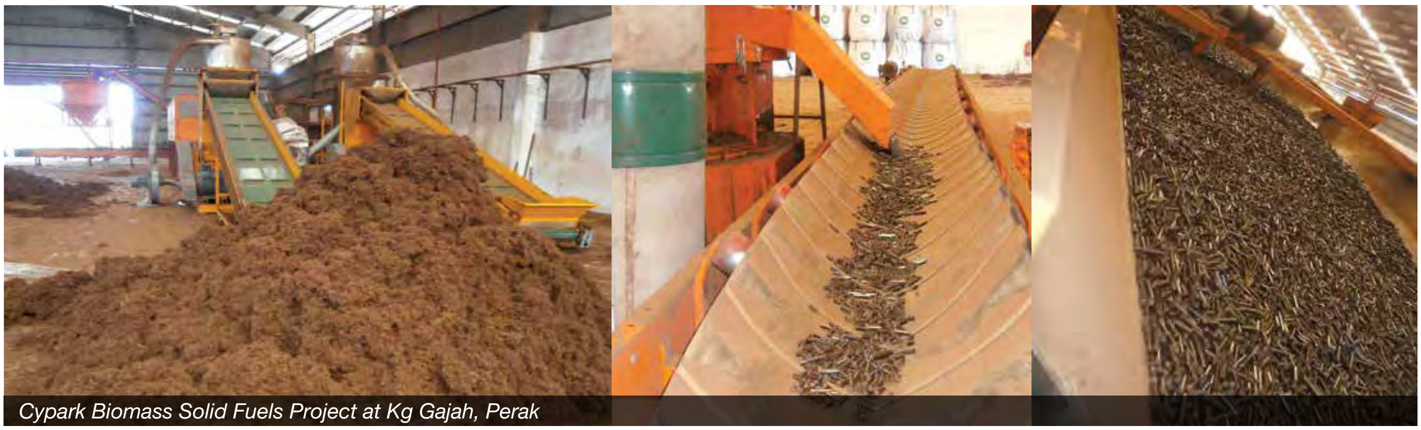
The prospect for renewable energy looks promising. Based on the projects currently secured, Cypark expects its total renewable energy plant capacity to jump four fold to approximately 120 MW by 2020. Cypark's recent win in LSS 2 is also expected to enhance trust and strengthen the Company's market position in the industry, thus foster its competitiveness in future bidding processes.

Government policies and incentives are expected to continue to be the drivers for the opportunities. Among others, Green Technology Master Plan 2017 – 2030, Energy Efficiency Action Plan, and Solid Waste and Public Cleansing Management Act are predicted to boost the industry and provide more prospects to the industry players.

Biomass Solid Fuels (BSF) is expected to generate more promising income. Cypark continues to pursue its target to increase higher revenue from the export of Biomass Green Pellet to key market regionally.

With the proven track record, the Company's competitive advantage, and its continuous research and development efforts, Cypark expects to continue to collaborate with large oil palm companies and win more BSF projects in the coming years. The industry's outlook is positive and the encouraging opportunities continue.

Cypark foresee 2018 will offer more conducive external factors including the appreciation of Ringgit Malaysia which will reduce our import cost of solar panel and other RE equipment. The continuous cost reduction of solar PV equipment prices globally will benefit Cypark.



Cypark Biomass Solid Fuels Project at Kg Gajah, Perak

"We expect Cypark's earnings to jump significantly in FY18F, as Phase 1 of its WTE project should commence operations in 1QCY18. The WTE plant is expected to generate stable revenue of c.RM80m per annum over a 25-year concession. The completion of the WTE plant would be a key milestone for the company as the plant is the single-largest investment that it has ever undertaken."[3]

CIMB Equity Research
2nd January 2018

[2] Energy Malaysia, Volume 12/2017
[3] "Cypark good proxy to renewable energy sector", The Star, 2 January 2018

CORPORATE RESPONSIBILITY

MARKETPLACE **WORKPLACE** **COMMUNITY** **ENVIRONMENT**

Cypark is committed in ensuring business sustainability and strives to responsibly manage natural resources to contribute holistically to the wellbeing of the society.

Cypark integrates creativity, innovation, and sustainability in all aspects of its business in constantly pursuing new solutions to reduce negative environmental impacts. The Company is actively developing renewable energy, green technology, and environmental engineering projects which involve all interlocutors and rational use of resources. Synergy is promoted between economic and social progress in the pursuit of shared values.

MARKETPLACE

Cypark's sustainable business model considers sustainability and innovation as an inseparable pairing, which creates integrated value for the Company and its stakeholders. The pairing allows the Company more capacity to materialise opportunities.

Reduce Greenhouse Gas - Cypark has been developing renewable energy (RE) parks which lead to the reduction of greenhouse gas (GHG) emissions and other pollutants by displacing conventional generations, and generally, they also foster the Company's commitment to responsible land use.

Promote Responsible Land Use - Another responsible land use is evident from the progress of Cypark's Solid Waste Modular Advance Recovery and Treatment Systems (SMART) project in Ladang Tanah Merah, Negeri Sembilan. As Malaysia's pioneering green field waste management project under the government promoted Public Private Partnership scheme, the project was fully developed through Private Funding Initiatives. SMART is an integrated Municipal Solid Waste treatment and disposal solution developed internally by Cypark's team of experts, offering unparalleled energy recovery performance with full compliance to Malaysia's stringent Environmental Standards. SMART is designed to optimise land use. Cypark believes that in energising sustainability and conserving the environment, the Company has to be creative and innovative as not to utilise the now-productive land, yet to convert futile plots into environmentally friendly areas.

Assist Income Generation - Notably, Cypark is promoting its world-first innovation of Agriculture Integrated Photo Voltaic (AIPV) system. This project is now extended to new 0.425 MW AIPV location in Pengkalan Hulu, Perak. The project is in progress and expected to be completed in 2018. The project supports two valuable commodities: food crops and solar energy. AIPV projects are also expected to generate income for farmers from the sale of food products.

Cypark is committed to build a sustainable, innovative and competitive marketplace which is receptive to the needs of our stakeholders and takes into consideration the key social and environmental issues to aid the formulation of best practices.

Integrated Municipal Solid Waste Treatment and Disposal at Ladang Tanah Merah (LTM), Port Dickson, Negeri Sembilan

CORPORATE RESPONSIBILITY

WORKPLACE

Minister of Urban Well-being, Housing and Local Government visited Cypark SMART Waste to Energy at Ladang Tanah Merah(LTM), Port Dickson, Negeri Sembilan on 13 April 2017

Cypark continues its commitment towards human capital building. It continues to provide employment and training opportunities for its employees and the public. Since employees are its greatest asset, the Company recognises the need to continuously improve the quality, knowledge, and competencies of its workforce. This comes hand in hand with the needs of the industry which require its players to be updated with the advancements in the industry. Cypark understands that our people need to be developed, challenged, and nurtured to be motivated in delivering the Company's business goals. Outstanding contribution and excellent performance by employees are rewarded by the Company. Cypark believes that members within our organisation must work together and solidify their efforts to materialise the Company's vision and missions.

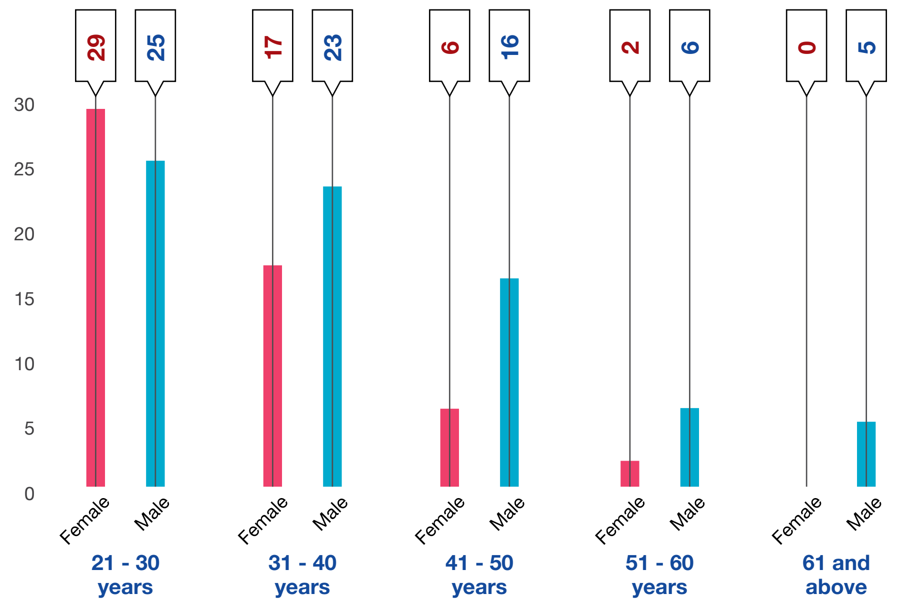
Cypark recognises talents and potentials and provide appropriate platforms for employees to realise their talents and potentials. It is important for the Company to maximise employees' strengths, minimise their weaknesses, and uncover their capabilities. Interventions, trainings, and human capital building programmes are conducted to bridge gaps between current and expected performance. Opportunities then arise for employees' career advancement and succession plan.

Safety, creativity, and well-being are the elements of Cypark's working environment and we believe these lead to business sustainability. Cypark remains committed to advancing our sustainability activities to greater heights. As the Company grows, we remain committed to conduct our business responsibly, towards the environment, people, and society.

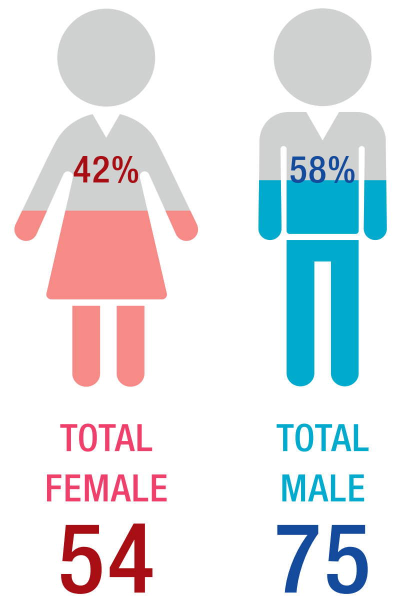
CORPORATE RESPONSIBILITY

AS OF DEC 2017

Employees by Age



Employees by Gender



Job Function / Level

CORPORATE RESPONSIBILITY

COMMUNITY

As a leading green technology and environmental engineering company, Cypark believes that the positive impacts from the industry should be shared and felt by the community. We believe that we can use our expertise, knowledge, and experience to make a difference to the community.

We believe that it is equally important to use our organisational and financial strengths to help our employees to serve the community. We have actively engaged our employees in the Company's community and charitable efforts which call for our employees' actions and commitment.

In 2017, Cypark continues its commitment towards the community through "CYPARK CSR Green" initiative by contributing solar systems at schools and places of worship. This allows the selected schools to benefit from Sustainable Energy Development Authority (SEDA) Community Feed in Tariff (FiT) program which further allows the schools to generate income from the sale of the electricity to Tenaga Nasional Berhad (TNB) and Sabah Electricity Sdn. Bhd (SESB). To date, twelve (12) Solar Systems, provide additional income up to RM250,000.00 to the schools and places of worship from the sale of electricity.

Item	Projects CSR Green Initiatives	Location	Capacity (kW)	kWh
1	Schools	9	50	149,440.00
2	Places of Worship	3	15	54,220.00
	Total	**12**	**65**	**203,660.00**

In 2017, Cypark was also active in increasing the public's awareness on the importance of preserving our natural resources and upgrading quality living environment. The Company supported relevant events to disseminate knowledge on solutions towards sustainability to the public. One of Cypark's efforts was the sharing session during "Majlis Pelancaran & Sesi Townhall Masyarakat Rendah Karbon Majlis Daerah Pontian" which allowed Cypark to communicate with the community on the diligent efforts in landfill closure and transforming the site to renewable energy park.

Visit by Universiti Teknikal Melaka Malaysia (UTEM) to Cypark Integrated Renewable Energy Park in Pajam, Negeri Sembilan on 27 October 2017

As seeing is believing, Cypark welcomed various institutions to visit its projects. We encourage especially the young generation to experience renewable energy to understand better on how solar energy works. Cypark received visitors to Integrated Renewable Energy in Pajam Negeri Sembilan and Agriculture Integrated Photovoltaic (AIPV) farm in Kuala Perlis, Perlis. Among visitors who visited Cypark's projects were Institut Latihan Kementerian Perumahan dan Kerajaan Tempatan, Universiti Utara Malaysia, Universiti Malaysia Perlis, Kolej Vokasional Batu Lanchang, Pahang, Universiti Tenaga Nasional (UNITEN), and Universiti Teknikal Melaka Malaysia (UTEM).

In addition, the Company contributed to the community through charitable donations to various organisations and charity. Cypark's Raya Open House was celebrated with several orphanages to share our happiness with them and to let them feel that they are part of our green community. Donations were also made to various organisations and foundations as Cypark's continuous contribution to the society.

Cypark hopes to give more to the community especially in raising awareness and educating the public on the importance of sourcing for renewable energy and clean environment. We hope we could build more solar systems across the Country. We hope with our knowledge, skills, and experience, we could make a difference to the community.

CORPORATE RESPONSIBILITY

Cypark's Hari Raya Open House at TPC Kuala Lumpur on 16 July 2017

ENVIRONMENT

Sustainability is our business philosophy. We go beyond to embody sincere concern for the wellbeing of the present and future generations.

Cypark continues its approach beyond developing conventional carbon emission reduction projects by rehabilitating contaminated landfills. It has successfully transformed non-productive, abandoned and degraded areas by remediating and converting up to 94,000 acres of area into environmentally friendly renewable energy projects. Those previously non-productive areas are now turned into productive areas which generate income.

Year	Total Renewable Energy Generation (GWh)	USEPA Annual Avoidance of Carbon Dioxide Equivalent (Tonnes)
Total To Date	175.90	130,908

Cypark's priority is the business, and equally important is the Company's commitment to manage issues and needs related to our employees, community and the environment. Cypark believes that the growth of the Company must be parallel with the development of the society, its human capital, and the environment.

Tan Sri Noh Omar (right) Minister of Urban Wellbaing, Housing, and Local Government visited Cypark's booth during "Hari Kitar Semula Kebangsaan 2017" exhibiton on 18 November 2017.

BOARD OF DIRECTORS' PROFILE

TAN SRI RAZALI BIN ISMAIL

Executive Chairman

Non-Independent Executive Director

Date of Appointment:

01 Oct '06

Tan Sri Razali bin Ismail, a Malaysian, aged 79, 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.

Tan Sri Razali is involved in environmental industries specifically in renewable energy and solar, is the Pro Chancellor of the University Science Malaysia, was Chairman of the National Peace Volunteer Corp (Yayasan Salam), heads an NGO project – 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 is now the Chair of the Human Rights Commission (Suhakam).

Tan Sri Razali has attended five (5) out of the five (5) Board of Directors' Meetings held during the financial year ended 31 October 2017. 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 2017.

Currently, Tan Sri Razali is also a Director of Allianz Malaysia Berhad and Iris Corporation Berhad.

BOARD OF DIRECTORS' PROFILE

DATO' DAUD BIN AHMAD

Group Chief Executive Officer

Non-Independent Executive Director

Date of Appointment:

01 Oct '06

Dato' Daud bin Ahmad, a Malaysian, aged 52, was appointed to the Board on 1 October 2006 and is one of the co-founder of Cypark Sdn. Bhd. He was appointed to be the CEO of Cypark since January 2001.

An accountant by profession, Dato' Daud is a graduate of Pennsylvania State University, USA. He also completed an Executive Management Programme at University of Chicago (Barcelona) and is a member of the Chartered Institute of Waste Management (CIWM) UK. Winner of Ernst & Young "Technology Entrepreneur of the Year Award 2013" for Malaysia, Dato' Daud has over 28 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 attended five (5) out of the five (5) Board of Directors' Meetings held during the financial year ended 31 October 2017. 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 2017.

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

BOARD OF DIRECTORS' PROFILE

ENCIK HEADIR BIN MAHFIDZ

Independent Non-Executive Director

Date of Appointment:

07 Sep '10

Encik Headir bin Mahfidz, a Malaysian, aged 52, 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 and a member of the 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 qualified as a Certified Practising Accountant, as certified by CPA Australia and he was awarded the FCPA status in December 2016. He is also a Member of Malaysian Institute of Accountants, being admitted since 1996.

Encik Headir has attended five (5) out of the five (5) Board of Directors' Meetings held during the financial year ended 31 October 2017. 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 2017.

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

BOARD OF DIRECTORS' PROFILE

DATUK ABDUL MALEK BIN ABDUL AZIZ

Independent
Non-Executive Director

Date of Appointment:

19 Sep '12

Datuk Abdul Malek bin Abdul Aziz, a Malaysian, aged 80, 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 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 five (5) out of the five (5) Board of Directors' Meetings held during the financial year ended 31 October 2017. 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 2017.

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

BOARD OF DIRECTORS' PROFILE

DATO' DR. FREEZAILAH BIN CHE YEOM

Independent
Non-Executive Director

Date of Appointment:

08 June '10

Dato' Dr. Freezailah bin Che Yeom, a Malaysian, aged 78, 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 Chairman of the Malaysian Certification Council, a post he has held since the inception of the Council in 1999 till 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 five (5) out of the five (5) Board of Directors' Meetings held during the financial year ended 31 October 2017. 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 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 2017.

Currently, Dato' Freezailah is also a Director of Salcon Berhad.

BOARD OF DIRECTORS' PROFILE

ENCIK MEGAT ABDUL MUNIR BIN MEGAT ABDULLAH RAFAIE

Independent
Non-Executive Director

Date of Appointment:

01
Aug '12

Encik Megat Abdul Munir bin Megat Abdullah Rafaie, a Malaysian, aged 48, 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. These are namely Litigation, Corporate Commercial and the Foundation Laws practice areas. He advises on foreign investments, mergers and acquisitions, listing and compliance requirements as well as queries from Bursa Malaysia Securities Berhad and the Securities Commission. Since 1999, he has been appointed as a director of a Taiwanese global multi-national company based and listed in Malaysia and 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 four (4) out of the five (5) Board of Directors' Meetings held during the financial year ended 31 October 2017. 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 2017.

Currently, Encik Megat is also a Director of Tong Herr Resources Berhad.

KEY SENIOR MANAGEMENT'S PROFILE

DOREEN TAN SWEE LOON

Finance Director

55 years old, Female, Malaysian

Qualifications:

- Bachelor of Commerce (Accountancy), University of Queensland, Australia
- Chartered Accountant member of the Malaysia Institute of Accountants
- CPA member of CPA Australia
- Member of the Institute of Certified Public Accountants of Singapore

Working experiences:

- More than 29 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

ACHMAT NADHRAIN BIN IBRAHIM

Senior General Manager

47 years old, Male, Malaysian

Qualifications:

- Bachelor (Hons.) in Mechanical Engineering, University of Brighton, United Kingdom
- Registered engineer with the Board of Engineers Malaysia

Working experiences:

- More than 23 years of experience in the areas of engineering and construction, having worked in, among others, Scomi Sdn Bhd, Perusahaan Otomobil Nasional Bhd (Proton), Penambang Holdings Pty Ltd in South Africa, Shapadu Properties Sdn Bhd and Hartasuma Sdn Bhd.
- Last position held prior to joining the Group in 2004 was Head of Project in Hartasuma Sdn Bhd.
- Has served and moved up the ranks in the Group prior to promotion to current position

Appointment to the current position:

- 1 July 2017

FAIZAL BIN YUSOF

Director of Engineering & Construction

39 years old, Male, Malaysian

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 19 years of working experience in the region of Asia and Middle East in consultancy , project management, construction and property development industry covering a wide spectrum of projects which include high-rise buildings, residential, university, infrastructures and mix of developments.
- 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 in Headquarters.

Appointment to the current position:

- 7 October 2016

KEY SENIOR MANAGEMENT'S PROFILE

MOHD HILMY BIN ABDULLAH ZAWAWI

Senior Manager (Renewables & Green Tech)

33 years old, Male, Malaysian

Qualifications:

- Bachelor of Engineering (Hons) in Electrical Engineering, Universiti Teknikal Malaysia Melaka
- Registered engineer with the Board of Engineers Malaysia

Working experiences:

- More than nine (9) years of working experience in the areas of engineering design, quality assurance and control, construction and project management, operation and maintenance and research and development.
- Led successfully the team in the design and development of Agri-Integrated Solar Photovoltaic (AIPV) which has been patented in Malaysia, Thailand, Indonesia, China, India, Vietnam and Philippines.
- Last position held prior to joining the Group in January 2012 was Project Engineer leading the Utilities Section of a Blast Furnace project in Megasteel Sdn Bhd.
- Has served and moved up the ranks in the Group prior to promotion to current position.

Appointment to the current position:

- 1 January 2017

WAN MARINI BT WAN SALLEH

Accounting Manager

39 years old, Female, Malaysian

Qualifications:

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

Working experiences:

- More than 17 years of experience in the areas of accounting and finance.
- Having worked in various private companies involving in the businesses of 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 the Company;
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 2017, 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.

STATEMENT ON CORPORATE GOVERNANCE

INTRODUCTION

The Board is committed to ensure that a high standard of corporate governance is practised throughout the Company and its subsidiaries (**"the Group"**) in discharging its responsibilities with integrity, transparency and professionalism to protect and enhance shareholder value and the financial position of the Group. The Board has always been vigilant of the fiduciary duties entrusted upon the Board as a principle guide in discharging its duties.

The Board recognises the importance of good corporate governance and supported the principles and recommendations promulgated in the Malaysian Code on Corporate Governance ("**MCCG**") 2012 to strengthen board structure and composition, enhance prospects and maximise shareholder value. The Board continuously evaluates the Group's corporate governance practices and procedures, and where appropriate, had adopted and implemented the recommendations as enshrined in the MCCG 2012 during the financial year ended 31 October 2017 to the best interest of the Company and its shareholders. As such, the Board plays a primary role in ensuring that good corporate governance is being practised.

Below is a narrative statement pursuant to Paragraph 15.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**MMLR**") on how the Group has applied the principles and recommendations as laid out in the MCCG 2012 throughout the financial year ended 31 October 2017. This statement is made in accordance with Paragraph 15.25 of the MMLR prior to its latest amendment that is applicable for annual reports issued for the financial year ended 31 December 2017 and after, which the Board will comply with for annual reports issued next year onwards.

PRINCIPLE 1: ESTABLISH CLEAR ROLES AND RESPOSIBILITIES OF THE BOARD AND MANAGEMENT

CLEAR FUNCTIONS OF THE BOARD AND MANAGEMENT

The Group is led by a competent and experienced Board that is made up of Directors with the necessary competencies, knowledge and experiences from diverse sectors and also in the Group's core businesses. There is a clear division of roles and functions between the Board and the Management in managing the Group. The Board is responsible for oversight and overall governance of the Group to ensure that the strategic plans of the Group is implemented and accountability is monitored effectively, whilst the Management is responsible for the day-to-day operations of the business and effective implementation of the plans and goals decided by the Board. The Board reviews Board papers and comes prepared to discuss the Group's business and operations. Non-executive Board members also individually communicate with the Management as and when the need arises.

CLEAR ROLES AND RESPONSIBILITIES OF THE BOARD

The Board provides effective leadership and manages the overall control of the Group's affairs through the schedule of matters reserved for its decision. The Board guides the Company on its short and long term goals, advises, reviews, approves and decides on strategies formulated by the Management, and deliberates on business development issues, while providing balance to the Management.

The Board has established its roles and responsibilities in discharging its fiduciary duties and leadership functions. The responsibilities of the Board in discharging its duties are as follows:

- undertakes to play an active role in reviewing and adopting a strategic plan for the Group, including establishing goals, ensuring that strategies are in place to achieve them, and overseeing the conduct of business
- establishes policies for strengthening the performance of the Group including ensuring that the Management is proactively seeking to build the business through innovation, initiative, technology, new products and the development of its business capital

STATEMENT ON CORPORATE GOVERNANCE

- recognises the importance of managing risks and maintaining a sound system of internal controls to identify principal risks which cover management, financial, organisational, operational and compliance controls, and ensures the implementation of appropriate systems to manage these risks

- succession planning, including appointing, training, fixing the compensation of and where appropriate, replacing senior management with the assistance of the Nomination Committee, which discusses and reviews Board and senior management succession plans periodically

- reviews the adequacy and the integrity of the Company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines

- decides on whatever steps are necessary to protect the Company's financial position and its ability to meet its debts and other obligations when they fall due, and ensuring that such steps are taken

- ensures that the Company's financial statements are true and fair and conform with applicable laws and/or regulations

- ensures that the Company adheres to high standards of ethics and corporate behavior, which are formalised through a code of conduct

- oversees the development and implementation of a shareholder communications policy. The Board ensures that timely releases of the quarterly financial results, circulars, press releases, corporate announcements and annual reports are made available to the Company's shareholders and investors. Shareholders and investors can also obtain information on the Company by accessing the Company's website at *www.crbenv.com* and accessing to the latest corporate, financial and market information of the Company via Bursa Securities' website at *www.bursamalaysia.com.*

The Board will normally hold meetings at least four (4) times in each financial year to consider:

- relevant operational reports from the Management
- reports on the financial performance
- specific proposals for capital expenditure and acquisitions, if any
- major issues and opportunities for the Company, if any
- quarterly financial statements for announcement to authorities
- approve/ratify public announcements

In addition, the Board will, at intervals of not more than one (1) year:

- approve annual financial statements, and other reports to shareholders
- consider and, if appropriate, declare or recommend the payment of dividends
- review the Board composition, structure and succession plan
- review the Company's audit requirements
- review the performance of, and composition of Board committees
- undertake Board and individual Board member evaluations
- recommend Board remuneration
- review risk assessment policies and controls and compliance with legal and regulatory requirements

STATEMENT ON CORPORATE GOVERNANCE

CODE OF CONDUCT AND ETHICS

The Board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness. The Board understands that it has the responsibility to set the tone and standards of the Company through a Code of Conduct and Ethics ("**CCE**") for the Company and has established the CCE to articulate acceptable practices and guides the behavior of directors, management and employees. The Board, the Management, and other employees and stakeholders are clear on what is considered acceptable behaviour and practice in the Company through the CCE's policies, which are integrated into company-wide management practices. The Board together with the Management, had ensured the implementation of the CCE's policies and procedures, which include managing conflicts of interest, and preventing the abuse of power, corruption, insider trading and money laundering. The CCE is periodically reviewed by the Board to ensure its relevance. The CCE will be published on the Company's website in due course.

The Board is also undertaking to develop a Whistleblowing Policy in line with the Board's effort to encourage employees to report genuine concerns in relation to breach of a legal obligation (including negligence, criminal activity, breach of contract and breach of law), miscarriage of justice, danger to health and safety or to the environment and the cover-up of any of these in the workplace. The Board will ensure that the Whistleblowing Policies set out avenues where legitimate concerns can be objectively investigated and addressed. Individuals should be able to raise concerns about illegal, unethical or questionable practices in confidence and without the risk of reprisal. The Whistleblowing Policy will also be published on the Company's website in due course.

DIVERSITY POLICY

The Board does not have any formal gender, ethnicity and age diversity policies and targets or any set measures to meet any target. Nevertheless, the Group is an equal opportunity employer and all appointments and employments are based strictly on objective criteria, merits and with due regard for diversity in skills and experience but are not driven by any gender, ethnicity or age bias.

The workforce demographics of the Group are illustrated on page 17 of the "Corporate Responsibility" section.

PROMOTE SUSTAINABILITY

The Board ensures that the Company's strategies promote sustainability with attention given particularly to environmental, social and governance ("**ESG**") aspects of business which underpin sustainability. The Board understands that balancing ESG aspects with the interests of various stakeholders is essential to enhancing investor perception and public trust. Disclosures on corporate responsibility are presented under "Corporate Responsibility" of this Annual Report and also published on the Company's website at *www.crbenv.com*.

ACCESS TO INFORMATION AND ADVICE

The Board has unrestricted access to all information concerning the Company and the Group to enable them to carry out their duties effectively as Directors. In facilitating Board meetings, notices of meetings together with the agenda, minutes of previous meetings, financial reports and supporting board papers are provided and circulated to the Board at least five (5) business days in advance of each meeting. Ample opportunities have been provided to the Board to review the information provided, to make enquiries and to obtain information and clarification if necessary. Senior management or professional advisers are invited to attend the board meetings to provide additional insights and professional views, advice and explanation on specific items on the meeting agenda, where necessary. During the meetings, the Management provides further detailed information and clarification on issues raised by members of the Board.

STATEMENT ON CORPORATE GOVERNANCE

The Board members have access to the advice and services of the Company Secretaries and the Senior Management of the Group either as a full Board or in their individual capacity in order to better discharge their duties and responsibilities. Where necessary, and upon Board discussion and agreement at any point in time, the Board may engage independent professional advice at the Group's expense on specialised issues to enable the Board to discharge its duties with adequate knowledge on the matters being deliberated.

The Board may engage the services of any of the Board members having special expertise in the particular field for the purpose of a special assignment or engage the services of a party related to the Board members' organisation, so long as the terms of engagement are competitive, clearly recorded and all legal requirements for disclosure of the engagement are properly observed.

QUALIFIED AND COMPETENT COMPANY SECRETARIES

The Company is supported by two (2) suitably qualified and competent company secretaries. Both Company Secretaries are qualified Chartered Secretaries under 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 external company secretaries from Securities Services (Holdings) Sdn. Bhd. with vast knowledge and experience from being in public practice and is supported by a dedicated team of company secretarial personnel.

The Company Secretaries support the Board to ensure its effective functioning, and in managing the corporate governance framework of the Group. The Company Secretaries are also responsible to advise the Directors on their fiduciary and statutory duties, ensure compliances with company law, the MMLR, the Company's Memorandum and Articles of Association, the MCCG, Board adopted policies, and other pertinent regulations governing the Company, and guide the Board towards the necessary compliances, as and when necessary.

At least one (1) Company Secretary attended the 2017 Annual General Meeting ("**AGM**") held on 11 April 2017 and all Board and Board committee meetings during the financial year ended 31 October 2017. The Company Secretaries ensure that all deliberations at the AGM and all Board and Board committee meetings are well minuted for the Board's reference and for action plans to be communicated to the Management to work on and to report back to the Board. The Company Secretaries also update the Board on the Directors' Resolutions in Writing passed, Directors' dealings pursuant to Chapter 14 of the MMLR, announcements made to Bursa Securities and circulars or correspondences from Bursa Malaysia Berhad, at every scheduled Board meeting during the year, as well as the changes in the regulatory requirements.

The Company Secretaries had and will continue to constantly keep themselves abreast on matters concerning company law, the capital markets, corporate governance, and other pertinent matters through continuous training and industry updates. They have also attended many relevant continuous professional development programmes as required by MAICSA for practicing chartered secretaries.

The Board is satisfied with the performance and support rendered by the Company Secretaries who play a vital role to the Board in discharging its function and duties.

BOARD CHARTER

The Board has established clear functions reserved for the Board and those delegated to the Management and this is documented in the Board Charter, which is published on the Company's website. The Board Charter adopted by the Board sets out the Board's strategic intent and outlines the Board's roles and responsibilities, providing insights and guidance to the Board and the Management concerning their roles and division of responsibilities.

STATEMENT ON CORPORATE GOVERNANCE

Any amendment to the Board Charter can only be approved by the Board. The Board Charter is reviewed periodically as and when the need arises to ensure that the dynamic needs of the Group are consistently met. Further to the amendments to the MMLR issued up to 29 November 2017 and the introduction of the new MCCG issued on 26 April 2017, the Board had performed a review of the Board Charter and updated the Board Charter to ensure its consistency with the MMLR and its relevance.

PRINCIPLE 2: STRENGTHEN COMPOSITION

In discharging the duties, the Board is assisted by four Board of Committees, namely, the Audit Committee, Nomination Committee, Remuneration Committee and Risk Management Committee. Each Committee is governed by and operates within its respective Terms of Reference ("**TOR**"), which have been approved by the Board.

The TORs are periodically reviewed and assessed by the Board of Committees to ensure the TORs remain relevant and adequate in governing the functions and responsibilities of the Committees.

BOARD COMMITTEES

i. Audit Committee

The TOR of the Audit Committee is published on the Company's website. Details concerning the Audit Committee are available on page 44 under the Audit Committee Report of this Annual Report.

ii. Risk Management Committee

The Risk Management Committee comprises three (3) Independent Non-Executive Directors. The principal objective of the Risk Management Committee is to assist the Board in their responsibilities to identify, measure, control and monitor risks.

The members of the Risk Management Committee are:

Datuk Abdul Malek bin Abdul Aziz	Chairman, Independent Non-Executive Director
Encik Headir bin Mahfidz	Member, Independent Non-Executive Director
Encik Megat Abdul Munir bin Megat Abdullah Rafaie	Member, Independent Non-Executive Director

The Risk Management Committee met four (4) times during the financial year ended 31 October 2017.

iii. Nomination Committee

The Nomination Committee comprises three (3) Independent Non-Executive Directors. The TOR of the Nomination Committee is published on the Company's website. The Nomination Committee is responsible for proposing new Board and Board Committee nominees, if required and relevant, for the Board's approval, and assessing existing Directors on an on-going basis. In making these recommendations, the Nomination Committee will consider the required mix of skills, technical know-how, capabilities, experiences and independence of each member.

The actual decision as to who shall be nominated should be the responsibility of the full Board after considering the recommendations of the Nomination Committee.

STATEMENT ON CORPORATE GOVERNANCE

The members of the Nomination Committee are:

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

The Nomination Committee met one (1) time during the financial year ended 31 October 2017. In the discharge of its duties for the financial year ended 31 October 2017, the Nomination Committee had performed the following key activities:

- reviewed each Director, including the Group Chief Executive Officer ("**GCEO**"), to assess the character, experience, integrity, competence and time that can be committed by each of the said persons to effectively discharge his role as a director or chief executive, as well as the Committees of the Board, through a comprehensive assessment system based on recommended best practices/criteria and facilitated by the Secretaries, where the results are deliberated upon and reported to the Board accordingly;
- reviewed the criteria adopted for such assessment to ensure that it is current and relevant;
- reviewed the required mix of skills and experience and other qualities, including core competencies of the non-executive directors;
- reviewed the term of office and performance of the Audit Committee and each of its members; and
- reviewed and recommended training programmes for the Board.

In regards to board composition, the Board endeavours to ensure that it consists of individuals with a diverse background equipped with professional and technical knowledge to effectively carry out its roles as the representative to the interests of shareholders in setting the Company's strategy on ensuring its implementation. The qualifications for Board membership are the ability to make sensible business decisions and recommendations, an entrepreneurial talent for contributing to the creation of shareholder value, the ability to see the wider picture, to raise constructive queries, and to promulgate high ethical standards, while at the same time maintaining sound practical sense, and putting in the commitment to furthering the interests of shareholders and the achievement of the Company's goals.

In appointing an appropriate individual to the Board, the Nomination Committee will first consider and recommend to the Board the suitable candidate for directorship taking into consideration the candidate's experience, competency, character, time commitment, integrity and potential contribution to the Group. In the case of candidates for the position of independent non-executive directors, the Nomination Committee will also evaluate the candidates' ability to discharge responsibilities and functions as expected from independent non-executive directors. Upon appointment to the Board, all new Directors are required to undergo a comprehensive induction programme to fully understand the operations of the Group and also the expectation the Company has of him.

iv. Remuneration Committee

The Remuneration Committee comprises two (2) Independent Non-Executive Directors and one (1) Executive Director. The Remuneration Committee is responsible for making recommendations to the Board on the appropriate remuneration packages and benefits based on Directors' skills, technical know-how, experiences and capabilities and to review the respective annual remuneration packages.

STATEMENT ON CORPORATE GOVERNANCE

The members of the Remuneration Committee are:

Dato' Dr. Freezailah bin Che Yeom	Chairman, Independent Non-Executive Director
Tan Sri Razali bin Ismail	Member, Executive Director
Datuk Abdul Malek bin Abdul Aziz	Member, Independent Non-Executive Director

The Remuneration Committee met one (1) time during the financial year ended 31 October 2017.

DIRECTORS' REMUNERATION

The remuneration of the Executive Directors is determined fairly based on the performance and the profitability of the Group as a whole. In recommending or approving Directors' remuneration, the Board takes into account the comparative market rates which commensurate with the level of contribution, experience and participation of each Director. The overriding principle adopted in setting the remuneration packages for the Executive Directors by the Remuneration Committee is to ensure that the Company attracts and retains the appropriate Directors of the caliber needed to run the Group successfully.

The determination of the remuneration for Non-Executive Directors (fees and benefits) is a matter of the Board as a whole. The level of remuneration for Non-Executive Directors reflects the amount paid by other comparable organisations, adjusted for the experience and levels of responsibilities undertaken by the particular Non-Executive Directors concerned. The remuneration package of Non-Executive Directors will be a matter to be deliberated by the Board, with the Director concerned abstaining from deliberations and voting on deliberations in respect of his individual remuneration.

Remuneration paid or payable or otherwise made available to all Directors of the Company who have served during the financial year ended 31 October 2017 is tabulated as follows:

Received from the Group/ Company

	Executive Directors (RM)	Non-Executive Directors (RM)	Total (RM)
Salaries/ other emoluments	5,082,869	-	5,082,869
Fees	-	594,000	594,000
Benefit in kind/ others	3,318,566	135,360	3,453,926

The number of Directors of the Company who served during the financial year and whose remuneration from the Group fall within the following bands are as follows:

Received from the Group/ Company

	Number of Directors	
Range of Remuneration	**Executive**	**Non-Executive**
RM150,001 – RM200,000	-	3
RM200,001 – RM250,000	-	1
RM3,750,001 – RM3,800,000	1	-
RM4,600,001 – RM4,650,000	1	-

STATEMENT ON CORPORATE GOVERNANCE

BOARDROOM DIVERSITY

The Board has skills and experience ranging from Environmental Industries, Management, International Business, Oil and Gas, Waste Management, Accounting, Law, International Relations, Forestry and Ecology.

The Board believes that candidature to the Board should be based on a candidate's merits but in line with the MCCG, but nonetheless, the Board will consider females onto the Board in due course to bring about a more diverse perspective, subject to also the candidate's merits.

PRINCIPLE 3: REINFORCE INDEPENDENCE

REVIEW OF DIRECTORS' INDEPENDENCE

The Board recognised the importance of independence and objectivity in decision making. The Nomination Committee reviews the independence of the Independent Directors annually. In addition to the annual review, the Independent Directors also submits an annual declaration regarding his independence.

TENURE OF INDEPENDENT DIRECTORS

The Board does not have any Independent Director who has served more than nine (9) years as at the date of this Statement, calculated consecutively or cumulatively.

The Board notes the recommendation in the MCCG in relation to limiting the tenure of Independent Director to nine (9) years of service. However, the Board believes that a Director's independence cannot be determined solely based on the tenure of service as the tenure of service does not interfere with their exercise of judgment and ability to act in the best interest of the Group. The Board may, in appropriate case and subject to the assessment of Nomination Committee, retain an Independent Director who has served a consecutive or cumulative term of nine (9) years to continue to service as an Independent Director subject to annual shareholders' approval, and retain an Independent Director who has served a consecutive or cumulative term of twelve (12) years to continue to service as an Independent Director subject to annual shareholders' approval through a two-tier voting process as stipulated in the new MCCG issued on 26 April 2017.

SEPARATION OF POSITIONS OF THE CHAIRMAN AND CEO

The positions of Chairman and CEO have always been held by different individuals. There is a clear division of responsibilities between the two roles to ensure that there is an appropriate balance of power and authority to facilitate efficiency and expedite decision making.

Currently, Tan Sri Razali bin Ismail, the Non-Independent Executive Chairman, chairs the Board while the position of GCEO is held by Dato' Daud bin Ahmad.

As a chairman is responsible to lead the Board and ensure the effectiveness of the Board, the Chairman's executive position lends advantage to act as an informal link between the independent directors, executive directors and the Management and his executive position is better able to control and align management action to Board decision and strategy. Also, the Executive Chairman's knowledge and experience in the business of the Group serves as the competitive advantage as the Executive Chairman could effectively contribute to the growth of the Company. Meanwhile, the GCEO focuses on the business, organisational effectiveness and day-to-day management of the Group, and actively reports, clarifies and communicates matters to the Board.

STATEMENT ON CORPORATE GOVERNANCE

COMPOSITION OF THE BOARD

The Board currently has six (6) members comprising two (2) Executive Directors and four (4) Independent Non-Executive Directors. This strong and independent element brings an objective and independent judgment to the decision-making process of the Board and is vital to the effective stewardship of the Group. The biographical details of the Board members are set out in the Board section under the heading of “Board of Directors’ Profile”.

All four (4) Independent Non-Executive Directors who represent two third (2/3) of the Board are independent of management and free from any businesses or relationships which could materially interfere with the exercise of their independent judgments.

The two (2) Executive Directors bring with them a wide range of business experiences, financial and economic knowledge, technical skills, and other knowledge and experience in the fields that are related to environmental technology, engineering solutions and integrated landscape services, as well as business management, operations and administration within the Group. The said Executive Directors are responsible for implementing the policies and decisions of the Board, and overseeing the operations, as well as coordinating the development and implementation of business and corporate strategies.

There is proper balance in the Board with the presence of the four (4) Independent Directors, being a majority of the Board since the Chairman is not independent, with the necessary caliber to carry sufficient weight in Board decisions through various discussions within the Group. They play a key role in providing unbiased and independent views, advice and contributing their knowledge and experience toward the formulation of policies and in the decision-making process. The Board structure ensures that no individual or group of individuals dominates the Board’s decision-making process. Although all the Directors have equal responsibility for the Company and the Group’s operations, the role of the Independent Directors are particularly important in ensuring that the strategies proposed by the Executive Directors are deliberated on and have taken into account the interest, not only of the Company, but also that of the shareholders, employees, customers, suppliers and the community.

The Board undertakes an assessment of its independent directors annually. Some of the criteria in the assessment include the following:

- continue to fulfill the definition of an independent director as set out under Paragraph 1.01 of MMLR;
- never engaged in any transaction with the Group under circumstances as prescribed by Bursa Securities;
- not accepting compensation from the Group, other than compensation for board service for the current financial year ended 31 October 2017; and
- not having relationship which would interfere with the exercise of independent judgement in carrying out the function as a director or a member of board committee.

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

i. a sounding board of the Executive Chairman;
ii. an intermediary for other directors when necessary; and
iii. the point of contact for shareholders and other stakeholders.

RE-ELECTION OF DIRECTORS

One third (1/3) of the Board members, including the Executive Chairman and GCEO, are required to retire by rotation at least once in every three (3) years at the AGM and where eligible, be subject to re-election by the shareholders.

STATEMENT ON CORPORATE GOVERNANCE

In accordance with Article 84 of the Articles of Association, Tan Sri Razali bin Ismail and Encik Megat Abdul Munir bin Megat Abdullah Rafaie shall retire by rotation and be subjected to re-election at the forthcoming Thirteenth AGM.

PRINCIPLE 4: FOSTER COMMITMENT OF THE DIRECTORS

BOARD MEETING

The Chairman of the Board is responsible for ensuring that the Board members meet regularly throughout the year. The Board is to meet at least four (4) times in a year, with additional meetings convened whenever urgent/necessary and whenever important decisions are required. Board meetings are generally scheduled in advance with the relevant time and venue fixed tentatively on a certain date. Board members are aware of the expected time commitment and protocols for accepting new directorships.

Formal notices, agendas, papers and reports are supplied to the Board at least five (5) business days in advance prior to Board meetings. The Board is supplied with all necessary information to enable it to effectively discharge its duties and responsibilities. Besides holding of Board meetings, the Board also exercises control on issues/matters that require immediate Board approval through the circulation and passing of Directors' Circular Resolutions pursuant to the relevant Article of Association of the Company.

The requisite quorum for Board meetings as set out in the Articles of Association are two (2) members, unless otherwise determined by the Board from time to time. All conclusions or decisions of the Board are duly recorded in the Board minutes. The Board met five (5) times during the financial year ended 31 October 2017 in the discharge of its duties and responsibilities in the control and monitoring of the operations and development of the Group. The attendance record of the Directors during the financial year ended 31 October 2017 was as follows:

Directors	Attendance
Tan Sri Razali bin Ismail	5 out of 5
Dato' Daud bin Ahmad	5 out of 5
Dato' Dr. Freezailah bin Che Yeom	5 out of 5
Encik Headir bin Mahfidz	5 out of 5
Encik Megat Abdul Munir bin Megat Abdullah Rafaie	4 out of 5
Datuk Abdul Malek bin Abdul Aziz	5 out of 5

DIRECTORS' TRAINING

Pursuant to Paragraph 15.08 of the MMLR, the Company and its Group acknowledges the fact that continuous education is vital for the Board members to gain insight into the state of economy, technological advances in their core businesses, latest regulatory developments and management strategies. This additional knowledge will enable the Board members to discharge their roles, duties and responsibilities more effectively.

The Board has undertaken an assessment of the training needs of each of its Directors and ensured that all its members undergo the necessary training programmes as prescribed and other training programmes to enable the discharge of duties effectively.

The Directors are also encouraged to attend continuous education programmes/seminars/conferences and shall as such receive further training from time to time to keep themselves abreast of the latest development in statutory laws, regulations and best practices, where appropriate, in line with the changing business environment and the need to be cognisant of commercial opportunities and risks as well as to be adequately equipped to execute judicious decision-making.

STATEMENT ON CORPORATE GOVERNANCE

During the financial year ended 31 October 2017, all the directors have attended at least one (1) training programme. The training programme and seminars attended by the Directors during the financial year ended 31 October 2017 include:

Conference / Seminar / Forum / Discussion / Workshop / Training	Organisor / Venue	Date
2017 Budget Seminar	The Saujana Hotel Kuala Lumpur	22 November 2016
Directors Training Programme on the Companies Act 2016 ("CA2016")	Securities Services (Holdings) Sdn Bhd	16 December 2016
Malaysian Private Entities Reporting Standard ("**MPERS**") – Transition Issues & Preparing 2016 Financial Statements	Armada Hotel, Petaling Jaya	10 and 11 January 2017
Roundtable on Redelineation	Suruhanjaya Hak Asasi Manusia Malaysia ("**SUHAKAM**")	8 February 2017
Roadmap To Malaysian Public Sector Accounting Standards ("**MPSAS**"): Presentation Of Financial Statements	Pullman Kuala Lumpur Bangsar	22 and 23 February 2017
Roadmap To MPSAS: Revenue	Pullman Kuala Lumpur Bangsar	22 and 23 March 2017
Brainstorming Session On History of Foreign Policy Politics	Office of Tun Abdullah Ahmad Badawi, Perdana Mentari ("**PM**")'s Office	1 March 2017
Roadmap To MPSAS: Assets	Pullman Kuala Lumpur Bangsar	6 to 8 March 2017
Fully Illustrated Mastering MPERS	CPA Australia Seminar Room, Kuala Lumpur	9 and 10 March 2017
Annual Meeting of the Global Alliance of National Human Rights Institutions ("**GANHRI**")	GANHRI, Geneva	7 and 8 March 2017
Seminar on Jenayah Seksual Kanak-Kanak	PM's office / Program PERMATA	13 March 2017
ASEAN Inter-governmental Commission of Human Rights ("**AICHR**") Judicial Symposium: Rule of Law & Human Rights – Looking Ahead – Challenges & Opportunities	AICHR	14 March 2017
UM Lecture Series – The Economy, Europe & Brexit	Asia-Europe Institute, University of Malaya ("**UM**")	15 March 2017
The Universality of Human Rights in Harmony with Religions	SUHAKAM	18 March 2017
Roadshow with Masyarakat in Negeri Sembilan	SUHAKAM	22 March 2017
Talk on Small State in an International System of Great Power Rivalry	AFMA, Wisma Putra	4 April 2017
Audit Committee Conference 2017	Connexion Conference And Events Centre @ Nexus	5 April 2017
Roadmap To MPSAS: Expenses & Liabilities	Pullman Kuala Lumpur Bangsar	6 and 7 April 2017
Sustainability Strategy And Reporting	Pullman Kuala Lumpur Bangsar	13 April 2017
Roadmap To MPSAS: Financial Instruments	Pullman Kuala Lumpur Bangsar	17 and 18 April 2017
SUHAKAM Bersama Mahasiswa – in Conjuction with Sintok Intellectual Discourse	Assoc of Former M'sian Amb / Uni Utara Malaysia / SUHAKAM	17 April 2017
MPERS – Transiting From Private Entities Reporting Standard (PERS) To MPERS (Including The 2015 Amendments Overview & Application)	Open University Malaysia (OUM) Bangi	25 and 26 April 2017

STATEMENT ON CORPORATE GOVERNANCE

Conference / Seminar / Forum / Discussion / Workshop / Training	Organisor / Venue	Date
Companies Act 2016: How It Changed The Game	The Majectic Hotel, Kuala Lumpur	26 April 2017
Energy Storage Forum	Berlin	10 and 11 May 2017
Political Developments in the German Election Year: What Impact on the European Union	ASEAN Europe Institute / Embassy of the Federal Republic of Germany	16 May 2017
Consultation on Domestic Workers	Bar Council / Migrant Forum in Asia / SUHAKAM	16 June 2017
Southeast Asian NHRI Forum (SEANF) Visitng Program 2017 – On Implementation of the UN Guiding Principles on Business & Human Rights through National Action Plans (NAPs)	Friedrich Naumann Foundation offices in Postdam, Brussels & the Philippines	18 to 21 June 2017 - Brussels 21 and 22 June 17 - Berlin
Dialogue on Malaysia's Accession to the UN Convention Against Torture & Other Cruel, Inhuman or Degrading Treatment or Punishment ("**UNCAT**")	UNCAT	5 July 2017
Transformation for 21st Century Diplomats	Institute of Diplomacy & Foreign Relations	12 July 2017
SUHAKAM's Roadshow with Masyarakat in Pahang	SUHAKAM	18 July 2017
Bursa Focus Group on Corporate Governance & Sustainability	Bursa Malaysia Berhad	19 July 2017
National Conference on Death Penalty – Abolition of the Death Penalty in Malaysia & in Asia-Pacific	Anti-Death Penalty Asia Network (ADPAN) with Ensemble contre la peine de mort (ECPM)	21 July 2017
Parliamentary RTD & Consultations on the Abolition of the Death Penalty in Malaysia & in Asia-Pacific	Parliamentarians for Global Action & Parliament of Malaysia	25 July 2017
National Tax Conference 2017	Kuala Lumpur Convention Centre ("**KLCC**")	25 and 26 July 2017
CA 2016	Institut Latihan Kehakiman Dan Perundangan (ILKAP), Jabatan Perdana Menteri	27 July 2017
Asia Europe Conference 2017: The Geo-Strategic Dynamics of Asia	Asia Europe Institute, UM	3 August 2017
Awareness Forum on Anti-Trafficking in Persons	Hilton Hotel, Kuching	9 August 2017
Audit Opinion & Reporting Revised ISA 700, 705 & 706	Connexion Conference And Events Centre @ The Vertical	17 August 2017
KYUEM Kaigi Conference – Change in Ethical Understanding in the 21st Century – "Understanding the World & our Responsibilities as a Globalist & as a Patriot"	Kolej Yayasan UEM, Tanjung Malim	26 August 2017
Seminar on Companies Act 2016	Salcon Office	28 August 2017
National Human Rights Action Plan (NHRAP) – Human Rights & Policy Making	Bahagian Hal Ehwal Undang-Undang, Jabatan Perdana Menteri	29 August 2017
Conference on Democracy in South East Asia Achievements, Challenges & The Road Ahead	Kofi Annan Foundation & SUHAKAM	2 and 3 September 2017
2017 CPA Congress Kuala Lumpur	One World Hotel, Bandar Utama City Centre	12 September 2017

STATEMENT ON CORPORATE GOVERNANCE

Conference / Seminar / Forum / Discussion / Workshop / Training	Organisor / Venue	Date
GST Conference 2017	KLCC, Kuala Lumpur	18 and 19 September 2017
Meeting with Youth Parliament	SUHAKAM / Youth Parliament	2 October 2017
Briefing session on the issue of human rights (reproductive health & refugees) with the Malaysian Youth Parliament	Malaysia Youth Parliament / SUHAKAM	2 October 2017
Gandhi Memorial Trust – Official Launch of UN International Day of non-Violence	Gandhi Memorial Trust	2 October 2017
SUHAKAM's Roadshow with Masyarakat in Muar	SUHAKAM	3 October 2017
Solar Storage (Empowering the energy transition)	Birmingham	3 to 5 October 2017
Corporate Restructuring & Insolvency under CA 2016	Berjaya Times Square Hotel, Kuala Lumpur	3 October 2017
Lecture on Human Rights in Malaysia & the Region	University Malaysia Sabah	10 October 2017
SUHAKAM's Roadshow with Masyarakat Kampung Maukab Ranau, Kota Kinabalu	SUHAKAM	11 October 2017
Corporate Governance Breakfast series: Leading in a Volatile Uncertain Complex, Ambiguous (VUCA) World	Bursa Malaysia Berhad	13 October 2017
Technical Workshop on Green Financing	KLCC	13 October 2017
National Audit Department Seminar 2017	Putrajaya Marriott Hotel	23 and 24 October 2017
Implementation of Sustainable Development – Sustainability Shift: Refashioning Malaysia's Future	Environmental Protection Society Malaysia (EPSM)	28 October 2017

PRINCIPLE 5: UPHOLD INTEGRITY IN FINANCIAL REPORTING

FINANCIAL REPORTING

The Board is committed to present a fair, balanced and comprehensive financial performance and prospects in all disclosures made to the shareholders and the general public. In addition to providing financial statements and annual report on an annual basis to the shareholders, the Company also presents the Group's financial results on a quarterly basis via public announcements. The Audit Committee assists the Board in scrutinising information for disclosure to ensure accuracy, adequacy and completeness of all relevant information for disclosure.

Prior to the presentation of the Company's financial statements to the Board for approval and issuance to the stakeholders, Audit Committee meetings were held to review the Company's financial statements in the presence of external auditors and the Group's Financial Controller.

With the assistance of Audit Committee, the Board will ensure that the preparation and fair presentation and disclosure in the financial statements are in accordance with the applicable Malaysia Financial Reporting Standards and the CA 2016.

The Board, through the Audit Committee, maintains a close and formal as well as a transparent arrangement and relationship with the Company's external auditors in seeking professional advice and ensuring compliance with the accounting standards in

STATEMENT ON CORPORATE GOVERNANCE

Malaysia. The Audit Committee met the external auditors without the presence of the management twice during the financial year ended 31 October 2017 to further discuss on the Group's audit plans, audit findings and to exchange independent views on the matters which require their attention.

SUITABILITIY AND INDEPENDENCE OF EXTERNAL AUDITORS

Messrs. Mazars PLT, had been appointed as the external auditors of the Company at the Ninth AGM held on 22 April 2014 and had been continuously re-appointed upon shareholders' approval since then. The Audit Committee continuously monitored and undertook an annual assessment of the suitability and independence of the external auditors. The external auditors had communicated with the Audit Committee vide the Audit Planning Memorandum and audit findings, and had provided the necessary quality of service and had sufficient resources to carry out the audit. The external auditors have confirmed to the Audit Committee that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements. The Audit Committee had evaluated the performance of the external auditors and made recommendations to the Board on their re-appointment and audit fee. The Board noted that the external auditors had expressed their willingness to continue in office for the ensuring year and having reviewed the suitability and independence of the external auditors, the Board recommend the re-appointment of the external auditors to the shareholders at the forthcoming Thirteenth AGM.

PRINCIPLE 6: RECOGNISE AND MANAGE RISKS

INTERNAL CONTROL

The Board, through the Risk Management Committee, 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, every quarter.

The duties and responsibilities of the Risk Management Committee are as follows:

- to assess and monitor all risks associated with the operations of the Company
- to develop and implement internal compliance and control systems and procedures to manage risk
- to review and make recommendations to the Board on key risk policies and strategies for the Board's approval
- to recommend or advise the Board on significant proposed changes to risk management policies and strategies
- to monitor the risks associated with all material outsourcing agreements
- to review reports on compliance with risk management policies and recommend action where necessary

With this, the Board can identify, evaluate and manage significant risks faced by the Group.

Further information on the Group's internal control is presented in the section under the heading of "Statement on Risk Management and Internal Control".

INTERNAL AUDIT FUNCTION

The internal audit function is outsourced to a professional firm and reports functionally to the Audit Committee with unrestricted access to the Audit Committee. The head of the internal audit function or his representative attends the Audit Committee meetings to report to the Audit Committee on their findings of the effectiveness of the governance, risk management and internal control processes within the Group.

STATEMENT ON CORPORATE GOVERNANCE

PRINCIPLE 7: ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

The Board notes that importance of timely dissemination of information to shareholders. This is achieved through accurate and timely disclosures and announcements to Bursa Securities including quarterly financial results, annual reports, annual audited accounts, circulars, general meetings and other material information. The Board ensures that all material information and corporate disclosures are discussed with the Management prior to dissemination to ensure compliance with the Bursa Securities MMLR. The Board strives to disclose the price sensitive information to the public as soon as practicable through Bursa Securities. These information are electronically published and can be assessed on Bursa Securities' website at *www.bursamalaysia.com.*

The Company's corporate website at *www.crbenv.com* serves as a key communication channel for shareholders, investors, members of the public and other stakeholders to obtain up-to-date information on the Group's activities, financial results, major strategic development and other matters affecting stakeholders' interests.

PRINCIPLE 8: STRENGTHEN RELATIONSHIP BETWEEN THE COMPANY AND ITS SHAREHOLDERS

AGMs

The Company conducts AGMs as a principal forum of dialogue with shareholders and a major forum of opportunities for the Company to meet with individual shareholders, where necessary. The key element of the Company's dialogue with its shareholders is the opportunity to gather views of, and answer questions from both, private and institutional shareholders on all issues relevant to the Company.

At the AGM, the Board shall present the progress and performance of the business and will encourage shareholders to participate in the discussions on the progress/performance of the Group and give their views to the Directors as well as to speak with them informally before and after the Meeting. The Executive Chairman, the GCEO, the Non-Executive Directors, the Group Finance Controller, the External Auditors, and the Secretary will be available to respond to the shareholders' queries during the AGM.

Paragraph 8.29A of the Bursa Securities MMLR requires that any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, is voted by poll for all AGMs from 1 July 2016 onwards. The Company had conducted the voting on all resolutions tabled during the AGM held on 11 April 2017 by poll accordingly.

INVESTOR'S RELATIONSHIP

The Board acknowledges the need for shareholders to be informed on all material business developments affecting the Group's state of affairs. To ensure shareholders and investors are well informed, information are disseminated through various disclosures and announcements to Bursa Securities. This includes the timely release of quarterly financial results on the Group's performance and operations. The circulation of the Company's Annual Report and the relevant announcements made through to the Bursa Malaysia Securities Berhad and the Company's website are currently the primary means of communication between the Company, its shareholders and the general public.

Any queries from the shareholders and members of the general public, if any, received through electronic mails, phone calls or written requests are and will be referred to and handled by the Group Financial Controller, who report directly to the Executive Chairman and the GCEO. The Board will respond to any questions raised during general meetings and also share with the shareholders of the Company's responses to questions submitted in advance of the AGMs by the Minority Shareholders Watchdog Group, if any.

This Statement is made in accordance with a resolution of the Board of Directors passed on 18 January 2018.

STATEMENT OF DIRECTORS' RESPONSIBILITY

INTRODUCTION

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 2017 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 2017.

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

- ensure the adoption of appropriate, adequate and applicable accounting standards and policies and applied them consistently;
- ensured that applicable approved accounting standards have been followed;
- where applicable, judgments and estimates are made on a reasonable and prudent basis; and
- 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

INTRODUCTION

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

Dato' Dr. Freezailah bin Che Yeom	Chairman, Independent Non-Executive Director
Encik Headir bin Mahfidz	Member, Independent Non-Executive Director
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 2017, the Audit Committee held a total of five (5) 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	5 out of 5
Encik Headir bin Mahfidz	5 out of 5
Encik Megat Abdul Munir bin Megat Abdullah Rafaie	4 out of 5

SUMMARY OF WORK OF THE AUDIT COMMITTEE

During the financial year ended 31 October 2017, the Audit Committee has carried out the following work in accordance with its terms of reference to meet its responsibilities:

a. reviewed the audited financial statements of the Group prior to the Board's approval, taking into consideration also:

- changes in or implementation of any major accounting policies and practices, if any;
- significant matters highlighted including financial reporting issues, significant judgements made by management, significant and unusual events or transaction, and how these matters are addressed, if any;
- compliance with accounting standards, regulatory and other legal requirements; and
- deliberated on major issues the external auditors raised, and to review the going concern assumptions and problems and reservations arising from the interim and final external audits, if any;

b. reviewed the unaudited quarterly reports on the consolidated results prior to the Board's approval;

c. reviewed the recurrent related party transactions of a revenue of trading nature of the Company every quarter;

d. 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;

e. reviewed and discussed the scope of work and audit plan in respect of the external audit, including any significant issues and concerns arising from the audit;

f. reviewed the external audit reports and assessed the auditor's findings and the management's responses thereto;

g. reviewed with the external and internal auditors, the adequacy of the internal control and risk management systems and evaluated the systems with the external and internal auditors;

h. met twice with the external auditors without the presence of the executive directors and management in the Audit Committee meetings to enquire on significant findings, fraud consideration, if any, and/or management cooperation level;

i. reviewed the suitability and independence of the external auditors in order to recommend their re-appointment to the Board for recommendation to the shareholders on the re-appointment of the external auditors during the annual general meeting;

j. reviewed the audit fees prior to the Board's approval;

k. 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;

l. reviewed the internal audit plan and reports presented on the state of internal control of the Group and steps taken by management in response to the audit findings;

m. reviewed and assessed the performance of the internal auditors;

n. reviewed with the external auditors, the Statement on Risk Management and Internal Control of the Group for inclusion in the annual report;

o. reviewed and confirmed the minutes of the Audit Committee meetings, and also distributed the minutes to the other members of the Board;

p. reported on the proceedings of each Audit Committee Meeting (through the Audit Committee Chairman); and

q. 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 Company acknowledged and the Audit Committee had put emphasis on the importance of having an internal audit function within the Group and as such, 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 system. The costs incurred for maintaining the outsourced internal audit function for the financial year ended 31 October 2017 amounted to RM45,053.

THE AUDIT COMMITTEE REPORT

A summary of the work of the internal audit function for the financial year ended 31 October 2017 is as follows:

a. carried out sampling test on the Group's compliance with its policies and procedures as well as relevant rules and regulations;

b. evaluated the adequacy and effectiveness of the Group's internal controls covering accounts and administration, fixed asset management, IT general controls and project management cycle as per the Internal Audit Plan approved by the Audit Committee;

c. reviewed the accounting records of the Group;

d. presented the internal audit findings and recommended corrective actions to be taken by Management; and

e. conducted follow-ups on previous audits to ensure corrective actions had been taken.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors ("the Board") of Cypark Resources Berhad 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 safeguard shareholders' investments and the Company's assets. 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 completely 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 no 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 2017 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 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;

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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;

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 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: 2008 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 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 directly to the Audit Committee.

During the financial year ended 31 October 2017, the internal audit function conducted four (4) cycles of audit in accordance with the risk-based internal audit plan approved by the Audit Committee. The results of the internal audit review and the recommendations for improvement were presented to the Audit Committee at their scheduled meetings. The internal audit function also performed follow-up audits to ensure that the necessary corrective actions have been undertaken to address the control gaps noted. Based on the internal audit reviews conducted, none of the weaknesses noted have resulted in any material losses, contingencies or uncertainties that would require separate disclosure in this Annual Report.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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 2017 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.

RPG5 (Revised 5) 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 2017 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 18 January 2018.

OTHER COMPLIANCE INFORMATION

AUDIT AND NON-AUDIT FEES

For the financial year ended 31 October 2017, the amounts of audit and non-audit fees paid or payable by the Company and the Group to the external auditors are as follows:

	Company (RM)	Group (RM)
Audit fees	65,000	237,800
Non-audit fees	5,000	5,000

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 (Group Chief Executive Officer is also a Director) or substantial shareholders, either still subsisting at the end of the financial year ended 31 October 2017 or entered into since the end of the previous financial year ended 31 October 2016.

MATERIAL PROPERTIES

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

RELATED-PARTY TRANSACTIONS

Save as disclosed hereinafter, the significant related-party transactions, existing or potential, which involves the Directors, major shareholders and/or persons connected with such Directors or major shareholders are set out in Note 24 of the Financial Statements of this Annual Report and also as disclosed in the Circular/Statement to Shareholders dated 28 February 2018. The details of the related-party transactions with the related party are set out below:

Related party	Interested Directors and Major Shareholders	Nature of transaction	Estimated aggregate value of the RRPT as disclosed in the preceding year's Circular to Shareholders dated 28 February 2017	Actual value transacted from the date of the last AGM on 11 April 2017 to LPD (RM)	Estimated aggregate value of the RRPT for the Proposed Shareholders' Mandate from 9 April 2018 (date of Thirteenth AGM) to the next AGM
CyEn Resources Sdn. Bhd.	Tan Sri Razali bin Ismail and Dato' Daud bin Ahmad*	Sub-contractor charges paid for environmental/ landscape works	25,000,000	14,388,734	25,000,000

* Tan Sri Razali bin Ismail and Dato' Daud bin Ahmad are the Directors and Major Shareholders of the Company and CyEn Resources Sdn. Bhd.

OTHER COMPLIANCE INFORMATION

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The Group has one (1) ESOS in existence during the year ended 31 October 2017 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 information in relation to the ESOS, is as follows:

Details	**2017 Options**
Total options or shares outstanding as at 1 November 2016	-
Total number of options or shares granted during the year	23,100,000
Total number of options exercised during the year	(3,254,500)
Total options or shares outstanding as at 31 October 2017	19,845,500

Granted to Directors including Group Chief Executive Officer	**2017 Options**
Aggregate options or shares outstanding as at 1 November 2016	-
Aggregate options or shares granted during the year	12,600,000
Aggregate options exercised during the year	(150,000)
Aggregate options or shares outstanding as at 31 October 2017	12,450,000

Granted to Directors and Senior Management	**2017 Options**
Aggregate maximum allocation in percentage	N/A
Actual percentage granted	85.4%

The breakdown of the options offered to and exercise by, or shares granted to and vested in Non-Executive Directors pursuant to the ESOS in respect of the financial year ended 31 October 2017 is as follows:

Name of Director	**Amount of options/shares granted**	**Amount of options exercised**
1. Dato' Dr. Freezailah bin Che Yeom	150,000	-
2. Datuk Abdul Malek bin Abdul Aziz	150,000	150,000
3. Headir bin Mahfidz	150,000	-
4. Megat Abdul Munir bin Megat Abdullah Rafaie	150,000	-
Total	**600,000**	**150,000**

CORPORATE RESPONSIBILITY

Cypark Resources Berhad ("CYPARK"), one of Malaysia's pioneering comprehensive developer and provider in environmental engineering, green technology, and renewable energy has been actively involved in educating the public on the importance of sourcing for clean energy and conserving the natural resources. The Group's efforts in giving back to the society comprised several projects and initiatives with the aim to enable the public to experience the business first hand. Notable contributions in 2017 include:

OTHER COMPLIANCE INFORMATION

- Cypark continues its commitment towards the community through "CYPARK CSR Green" initiative by contributing solar systems at School and Places of Worship. This allows the facility to benefit from Sustainable Energy Development Authority (SEDA) Community Feed in Tariff (FiT) program which allows the facility to generate income from the sale of the electricity to Tenaga Nasional Berhad and Sabah Electricity Sdn. Bhd (SESB). To date, the twelve (12) Solar Systems provides an additional income up to RM250,000.00 to the School and Places of Worship from the sale of electricity, nine (9) Schools and three (3) Places of Worship have benefitted from the initiative, with a total of energy generation at 203,660.00 kWh.

Item	Projects CSR Green Initiatives	Location	Capacity(kW)	kWh
1	School	9	50	149,440.00
2	Places of Worship	3	15	54,220.00
	Total	**12**	**65**	**203,660.00**

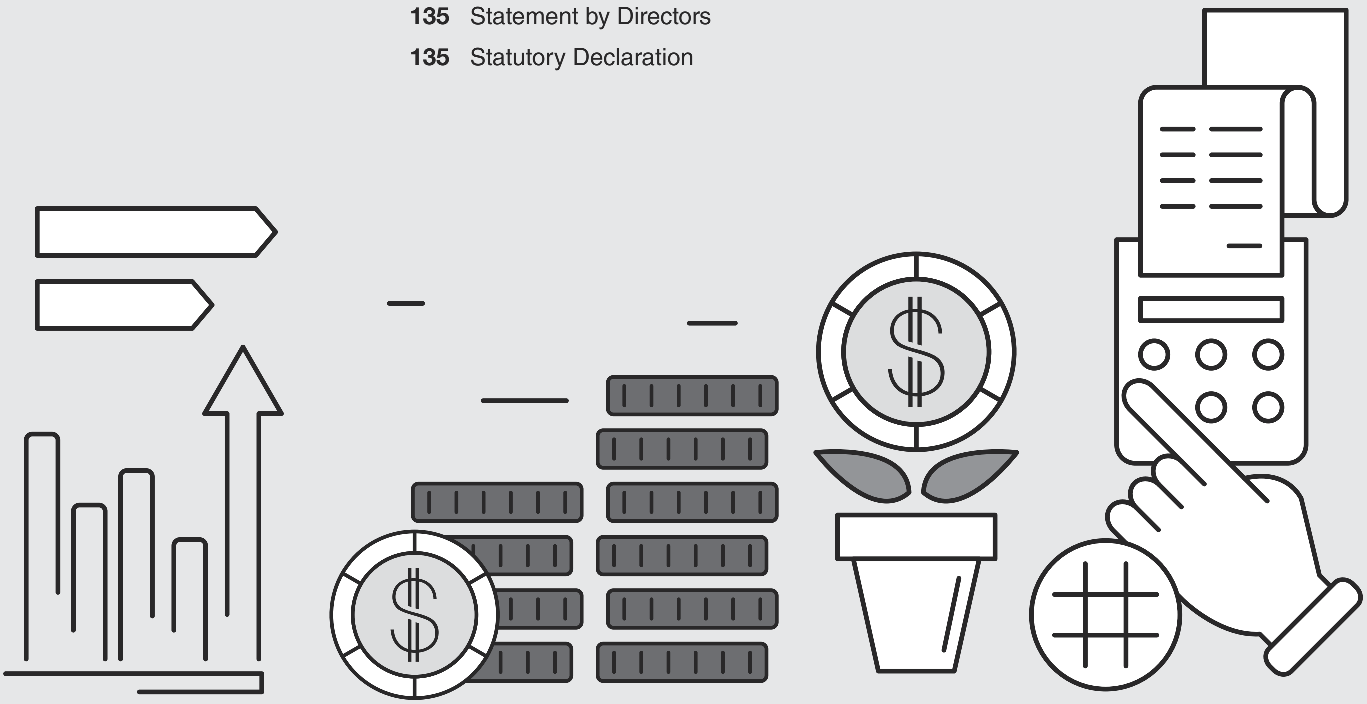
- Development of Community Welfare Solar Programme (CWSP) as part of the innovative Agriculture Integrated Photovoltaic (AIPV) or Agri-Solar, which combines agriculture and solar energy generation within the same facility. The project focuses on B40 household and selected charity organisations, in which income is generated through the sales of agriculture produce from the farm.

UTILISATION OF PROCEEDS

No proceeds were raised by the Company from any corporate proposal during the financial year ended 31 October 2017. The status of the utilisation of the proceeds raised from the private placement approved by the shareholders on 20 April 2015 is as follows:

Purpose	Proposed Utilisation	Actual Utilisation	Balance	Estimated timeframe for utilisation
Group's working capital requirements	55,589,119	55,589,119	-	Fully utilised
Expenses on the private placement	1,596,556	1,596,556	-	Fully utilised
	57,185,675	**57,185,675**	**-**	

FINANCIAL STATEMENTS



DIRECTORS' REPORT

For the Year Ended 31 October 2017

The directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 October 2017.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The Company and its subsidiaries are principally engaged in the business of environmental engineering, landscaping and infrastructure, maintenance, renewable energy and the provision of management services.

The details of the principal activities of the subsidiaries are disclosed in Note 6 to the financial statements.

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

RESULTS

	Group RM	Company RM
Profit for the year attributable to:		
Owners of the Company	57,604,032	13,969,828
Non-controlling interest	(1,373)	-
Profit for the year	57,602,659	13,969,828

DIVIDENDS

Further to the approval of Dividend Reinvestment Scheme ("DRS") at the Annual General Meeting 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 held on 11 April 2017.

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 wholly in cash.

Since the end of the previous financial year, the Company paid a single-tier final dividend of 5.2 sen per CRB Share on 255,104,472 CRB Shares amounting to RM13,265,432 in respect of the financial year ended 31 October 2016. A total of 4,800,200 CRB Shares were issued on 22 June 2017 at an issue price of RM2.18 per share under the DRS and the remaining portion of RM2,800,996 was paid in cash on 22 June 2017.

As at the date of this report, the directors have not proposed any payment of dividend in respect of the current financial year.

DIRECTORS' REPORT

For the Year Ended 31 October 2017

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company increased its total number of issued and paid-up share capital from 252,938,472 ordinary shares to 260,993,172 ordinary shares by way of:

(a) Issuance of 4,800,200 CRB Shares at an issue price of RM2.18 per share pursuant to the DRS; and

(b) Issuance of 3,254,500 CRB Shares at an exercise price of RM2.12 per share pursuant to the exercise of options under the Employees' Share Option Scheme ("ESOS").

The new CRB Shares issued rank pari passu in all respect with the then existing ordinary shares of the Company.

The Company did not issue any debentures during the financial year.

EMPLOYEES' SHARE OPTION SCHEME

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, and may be further extended for a maximum period of 5 years at the absolute discretion of the board of directors.

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

	Number of option					
	At 1.11.2016	Granted	Exercised	Forfeited	At 31.10.2017	Expiry date
ESOS	-	23,100,000	(3,254,500)	-	19,845,500	18 October 2020

Details about 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 14 to the financial statements.

RESERVES AND PROVISIONS

All material transfers, if any, to or from reserves and provisions during the financial year are disclosed in the financial statements.

SUBSIDIARIES

Details of the subsidiaries are set out in Note 6 to the financial statements.

There is no qualified auditor's report on the financial statements of any subsidiary for the financial year in which this report is made.

As at the end of the financial year, none of the subsidiaries hold any shares in the holding company or in other related corporations.

DIRECTORS' REPORT

For the Year Ended 31 October 2017

DIRECTORS

The directors in office from the beginning 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

DIRECTORS' INTERESTS IN SHARES AND ESOS

The following directors, who held office at the end of the financial year, had interests in shares as follows:

	Number of ordinary shares			
	At 1.11.2016	**Bought**	**Sold**	**At 31.10.2017**
The Company				
Direct interest				
Tan Sri Razali bin Ismail	48,580,600	1,127,300	(3,200,000)	46,507,900
Dato' Daud bin Ahmad	40,515,056	965,900	-	41,480,956
Dato' Dr. Freezailah bin Che Yeom	179,900	4,200	-	184,100
Headir bin Mahfidz	100,000	2,300	-	102,300
Megat Abdul Munir bin Megat Abdullah Rafaie	20,000	-	-	20,000
Datuk Abdul Malek bin Abdul Aziz	6,000	150,000	-	156,000

By virtue of Tan Sri Razali bin Ismail and Dato' Daud bin Ahmad's interests in shares in the Company, they are deemed to be interested in shares in all the subsidiaries of the Company to the extent that the Company has an interest.

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

	Number of share options under the ESOS			
	At 1.11.2016	**Granted**	**Exercised**	**At 31.10.2017**
Tan Sri Razali bin Ismail	-	3,000,000	-	3,000,000
Dato' Daud bin Ahmad	-	9,000,000	-	9,000,000
Dato' Dr. Freezailah bin Che Yeom	-	150,000	-	150,000
Headir bin Mahfidz	-	150,000	-	150,000
Megat Abdul Munir bin Megat Abdullah Rafaie	-	150,000	-	150,000
Datuk Abdul Malek bin Abdul Aziz	-	150,000	(150,000)	-

DIRECTORS' REPORT

For the Year Ended 31 October 2017

DIRECTORS' BENEFITS

Neither during nor at the end of the financial year was the Company a party to any arrangements whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by the directors as shown in the financial statements or the fixed salary of a full-time employee of the Company as shown in Note 21 to the financial statements) by reason of a contract made by the Company or a related corporation with a 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.

INDEMNITY AND INSURANCE COST

There was no indemnity given to or insurance effected for the directors of the Company.

OTHER STATUTORY INFORMATION

Before the financial statements were made out, the directors took reasonable steps:

(i) to ascertain that appropriate action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and satisfied themselves that there were no known bad debts to be written off and allowance for doubtful debts was not required; and

(ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

(i) which would render it necessary to write off any bad debt or to make any allowance for doubtful debts in respect of the financial statements of the Group and of the Company;

(ii) which would render the values attributed to the current assets in the financial statements misleading; or

(iii) 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.

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; or

(ii) any contingent liability which has arisen since the end of the financial year.

DIRECTORS' REPORT

For the Year Ended 31 October 2017

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

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 which would render any amount stated in the financial statements misleading.

In the opinion of the directors:

(i) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature 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.

SUBSEQUENT EVENT

Details of subsequent event after the financial year end are disclosed in Note 32 to the financial statements.

AUDITORS

Auditors' remuneration is set out Note 20 to the financial statements.

The auditors, Mazars PLT, Chartered Accountants, have expressed their willingness to accept re-appointment.

There was no indemnity given to or insurance effected for the auditors of the Company.

APPROVAL OF THE DIRECTORS' REPORT

This report is approved by the board of directors, and signed on behalf of the board of directors in accordance with a directors' resolution.

TAN SRI RAZALI BIN ISMAIL	**DATO' DAUD BIN AHMAD**
Director	Director

Kuala Lumpur

Date: 18 January 2018

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 2017 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 64 to 134.

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 2017, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") 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 ("ISA"). 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' Code of Ethics for Professional Accountants ("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.

(a) Impairment assessment of intangible assets recognised pursuant to IC Interpretation 12 Service Concession Arrangements

Management is required to assess at the end of each reporting period whether there is any indication that the intangible assets may be impaired in accordance to the requirements of MFRS 136 Impairment of Assets. If any such indication exists, the management shall estimate the recoverable amount of the intangible assets.

Assessing the recoverable amount of the intangible assets arising from concession arrangement involved judgement and estimates, which includes developing key assumptions for the forecasted revenues, growth rates and appropriate discount rate. These assumptions are sensitive inputs used in the cash flow projection.

INDEPENDENT AUDITORS' REPORT

To the Members of Cypark Resources Berhad (Incorporated in Malaysia)

Assumptions used and estimates made by the management have a direct impact on the appropriateness of the reported carrying amount of the Group's intangible assets. Due to the significance of the concession assets and the related uncertainty on forecasting and discounting future cash flow, this is considered a key audit risk. As at 31 October 2017, the Group reported intangible assets recognised pursuant to IC Interpretation 12 Service Concession Arrangements with carrying amount of RM689,466,537 (2016: RM526,605,169).

The related disclosures are included in Note 5 to the financial statements.

Our response

Our procedures included the following:

(i) Read the signed concession agreement between the Group and the authorities;
(ii) Review management meeting minutes to obtain an understanding of the performance and status of the project;
(iii) Conduct detailed discussion with management to understand their assessment of the future performance of the intangible assets;
(iv) Check the tariff rates used against the signed concession agreement and forecasted expenditures to signed third parties contracts, budgeted price lists and where possible, comparable industries data;
(v) Assess the reasonableness of the methodology supporting the key assumptions in deriving the discount rate and growth rates, including the source of information; and
(vi) Subject the key assumptions in the discounted cash flow projection to sensitivity analysis.

(b) Revenue recognition from construction works (landscaping, infrastructure, environmental engineering and maintenance works contracts)

During the financial year ended 31 October 2017, contract revenue amounted to RM233,592,167 (2016: RM211,376,334) and RM79,846,370 (2016: RM37,709,688) based on percentage of completion method represented 77% (2016: 75%) and 77% (2016: 61%) of the total revenue of the Group and the Company. The corresponding cost of sales of RM176,555,889 (2016: RM161,324,414) and RM75,530,382 (2016: RM26,108,622) accounted for 83% (2016: 77%) and 100% (2016: 100%) of the Group's and the Company's total cost of sales.

Due to the nature of such contracts, revenue recognition involves a significant degree of judgement in estimating total contract costs, stages of completion and any expected loss for a contract.

The related disclosures are included in Notes 17 and 18 to the financial statements.

Our response

Our procedures included the following:

(i) Read key contracts to obtain understanding of the specific terms and conditions;
(ii) Review project files and discuss with management the progress of each projects;
(iii) Challenge the management's estimates for total contract costs and budgeted costs to complete taking into account the historical accuracy and current economic conditions;
(iv) Test the mathematical accuracy of the contract revenue, contract costs and profits based on the percentage of completion calculations; and
(v) Compare contract budgets to actual outcomes, inquire management on the probability of foreseeable losses for those budgeted costs to complete.

(c) Impairment of receivables

The Group and the Company have outstanding billed and unbilled receivables (due from customers on work performed) amounted RM264,763,800 (2016: RM194,026,727) and RM451,930,739 (2016: RM376,304,953) which accounted for 20% (2016:18%) and 82% (2016: 80%) of the Group's and the Company's total assets as at 31 October 2017.

The management assessed the recoverability with reference to industry practices for the allowance on impairment loss and ageing analysis for the collectability of the individual outstanding receivables.

Where there is objective evidence of impairment, management estimates the amount of impairment loss that should be recorded against the receivables. Significant estimation is involved in the assessment of credit exposures and collectability of each receivable.

The related disclosures are included in Note 9 to the financial statements.

Our response

Our procedures included the following:

(i) Conduct detailed discussion with management on significant overdue receivables and understand the timing and likelihood of billing for those unbilled;
(ii) Read minutes of meetings and correspondences on ongoing negotiations with receivables;
(iii) Analyse and tested, on a sampling basis the accuracy of the ageing profile of the receivables by checking to the supporting documents; and
(iv) Obtain receivable confirmations, on a sampling basis and review evidence of receipts from the receivables after the year end.

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 MFRS and IFRS 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.

INDEPENDENT AUDITORS' REPORT

To the Members of Cypark Resources Berhad (Incorporated in Malaysia)

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.

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 not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISA 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 ISA, 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.

- 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.

INDEPENDENT AUDITORS' REPORT

To the Members of Cypark Resources Berhad (Incorporated in Malaysia)

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 6 to the financial statements.

OTHER MATTERS

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 content of this report.

MAZARS PLT
LLP0010622-LCA
AF 001954
Chartered Accountants

YAP CHING SHIN
2022/03/18 (J)
Chartered Accountant

Kuala Lumpur

Date: 18 January 2018

STATEMENTS OF FINANCIAL POSITION

- 31 October 2017

		Group		Company	
		2017	2016	2017	2016
	Note	RM	RM	RM	RM
ASSETS					
NON-CURRENT ASSETS					
Plant and equipment	4	**229,012,991**	240,598,511	**129,077**	161,270
Intangible assets	5	**705,707,792**	539,673,257	**20,370,678**	15,784,716
Investments in subsidiaries	6	**-**	-	**43,150,982**	42,150,970
Investment in an associate	7	**2,959,374**	-	**-**	-
Deferred tax assets	8	**516,325**	838,654	**30,000**	14,000
Trade receivables	9	**3,629,439**	5,171,075	**-**	-
		941,825,921	786,281,497	**63,680,737**	58,110,956
CURRENT ASSETS					
Trade and other receivables	9	**263,699,556**	191,182,840	**452,097,373**	376,502,197
Other current assets	10	**2,644,778**	1,983,241	**2,319,433**	1,350,275
Tax recoverable		**23,337**	276,128	**-**	-
Cash and bank balances	11	**108,511,739**	113,364,178	**34,369,230**	35,193,388
		374,879,410	306,806,387	**488,786,036**	413,045,860
TOTAL ASSETS		**1,316,705,331**	1,093,087,884	**552,466,773**	471,156,816
EQUITY AND LIABILITIES					
EQUITY					
Share capital	12	**288,728,212**	126,469,236	**288,728,212**	126,469,236
Share premium	12	**-**	144,160,784	**-**	144,160,784
Reverse acquisition reserve	13	**(36,700,000)**	(36,700,000)	**-**	-
Employee share option reserve	14	**4,477,145**	-	**4,477,145**	-
Retained earnings		**250,729,352**	206,390,752	**27,033,123**	26,328,727
Equity attributable to owners of the Company		**507,234,709**	440,320,772	**320,238,480**	296,958,747
Non-controlling interest		**(1,073)**	-	**-**	-
TOTAL EQUITY		**507,233,636**	440,320,772	**320,238,480**	296,958,747

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

- 31 October 2017

		Group		Company	
		2017	2016	2017	2016
	Note	RM	RM	RM	RM
NON-CURRENT LIABILITIES					
Loans and borrowings	15	**447,578,034**	324,109,980	**-**	-
Trade payables	16	**8,511,152**	28,155,103	**-**	-
Deferred tax liabilities	8	**25,000**	10,000	**-**	-
		456,114,186	352,275,083	**-**	-
CURRENT LIABILITIES					
Loans and borrowings	15	**120,092,524**	118,961,028	**16,987,359**	29,692,076
Trade and other payables	16	**228,268,235**	177,896,993	**213,690,934**	142,209,985
Tax payables		**4,996,750**	3,634,008	**1,550,000**	2,296,008
		353,357,509	300,492,029	**232,228,293**	174,198,069
TOTAL LIABILITIES		**809,471,695**	652,767,112	**232,228,293**	174,198,069
TOTAL EQUITY AND LIABILITIES		**1,316,705,331**	1,093,087,884	**552,466,773**	471,156,816

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

For the Year Ended 31 October 2017

		Group		Company	
		2017	2016	2017	2016
	Note	RM	RM	RM	RM
Revenue	17	**301,684,427**	282,929,184	**103,996,370**	61,759,688
Cost of sales	18	**(213,908,388)**	(210,357,766)	**(75,530,382)**	(26,108,622)
Gross profit		**87,776,039**	72,571,418	**28,465,988**	35,651,066
Other income		**4,413,439**	5,906,127	**6,671,985**	6,276,461
Administrative expenses		**(10,764,021)**	(6,588,422)	**(17,210,054)**	(15,802,583)
Operating profit		**81,425,457**	71,889,123	**17,927,919**	26,124,944
Finance costs	19	**(11,795,017)**	(11,809,458)	**(290,401)**	(308,660)
Share of results of an associate		**(40,626)**	-	**-**	-
Profit before tax	20	**69,589,814**	60,079,665	**17,637,518**	25,816,284
Tax expense	22	**(11,987,155)**	(8,366,435)	**(3,667,690)**	(3,719,910)
Profit for the year		**57,602,659**	51,713,230	**13,969,828**	22,096,374
Other comprehensive income net of tax		**-**	-	**-**	-
Total comprehensive income for the year		**57,602,659**	51,713,230	**13,969,828**	22,096,374
Profit for the year attributable to:					
Owners of the Company		**57,604,032**	51,713,230	**13,969,828**	22,096,374
Non-controlling interest		**(1,373)**	-	**-**	-
		57,602,659	51,713,230	**13,969,828**	22,096,374
Total comprehensive income for the year attributable to:					
Owners of the Company		**57,604,032**	51,713,230	**13,969,828**	22,096,374
Non-controlling interest		**(1,373)**	-	**-**	-
		57,602,659	51,713,230	**13,969,828**	22,096,374
Earnings per share for profit attributable to the owners of the Company (sen per share)					
- Basic	23	**22.50**	20.66		
- Diluted	23	**22.33**	20.66		

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31 October 2017

		Transactions with owners of the Company							
		Non-distributable				Distributable			
		Share capital	Share premium	Reverse acquisition reserve	Employee share option reserve	Retained earnings	Total	Non-controlling interest	Total equity
2017	**Note**	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**
At 1 November 2016		126,469,236	144,160,784	(36,700,000)	-	206,390,752	440,320,772	-	440,320,772
Total comprehensive income for the year		-	-	-	-	57,604,032	57,604,032	(1,373)	57,602,659
Non-controlling interest arising on acquisition of a subsidiary	29	-	-	-	-	-	-	300	300
Issuance of ordinary shares:									
- Dividend Reinvestment Scheme (“DRS”)	12	10,464,436	-	-	-	-	10,464,436	-	10,464,436
- Exercise of Employees’ Share Option Scheme (“ESOS”)	12	7,633,756	-	-	(734,216)	-	6,899,540	-	6,899,540
Issuance of ESOS	14	-	-	-	5,211,361	-	5,211,361	-	5,211,361
Dividend paid	31	-	-	-	-	(13,265,432)	(13,265,432)	-	(13,265,432)
Transition to no-par value regime	12	144,160,784	(144,160,784)	-	-	-	-	-	-
At 31 October 2017		288,728,212	-	(36,700,000)	4,477,145	250,729,352	507,234,709	(1,073)	507,233,636

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31 October 2017

		Transactions with owners of the Company				
		Non-distributable			Distributable	
		Share capital	Share premium	Reverse acquisition reserve	Retained earnings	Total
2016	**Note**	**RM**	**RM**	**RM**	**RM**	**RM**
At 1 November 2015		124,335,636	138,784,112	(36,700,000)	167,111,086	393,530,834
Total comprehensive income for the year		-	-	-	51,713,230	51,713,230
Issuance of ordinary shares pursuant to DRS	12	2,133,600	5,376,672	-	-	7,510,272
Dividend paid	31	-	-	-	(12,433,564)	(12,433,564)
At 31 October 2016		126,469,236	144,160,784	(36,700,000)	206,390,752	440,320,772

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31 October 2017

		← Non-distributable		→	Distributable	
	Note	Share capital RM	Share premium RM	Employee share option reserve RM	Retained earnings RM	Total equity RM
At 1 November 2015		124,335,636	138,784,112	-	16,665,917	279,785,665
Total comprehensive income for the year		-	-	-	22,096,374	22,096,374
Issuance of ordinary shares pursuant to DRS	12	2,133,600	5,376,672	-	-	7,510,272
Dividend paid	31	-	-	-	(12,433,564)	(12,433,564)
At 31 October 2016		126,469,236	144,160,784	-	26,328,727	296,958,747
Total comprehensive income for the year		**-**	**-**	**-**	**13,969,828**	**13,969,828**
Issuance of ordinary shares						
- DRS	12	**10,464,436**	**-**	**-**	**-**	**10,464,436**
- Exercise of ESOS	12	**7,633,756**	**-**	**(734,216)**	**-**	**6,899,540**
Issuance of ESOS	14	**-**	**-**	**5,211,361**	**-**	**5,211,361**
Dividend paid	31	**-**	**-**	**-**	**(13,265,432)**	**(13,265,432)**
Transition to no-par value regime	12	**144,160,784**	**(144,160,784)**	**-**	**-**	**-**
At 31 October 2017		**288,728,212**	**-**	**4,477,145**	**27,033,123**	**320,238,480**

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

For the Year Ended 31 October 2017

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	**69,589,814**	60,079,665	**17,637,518**	25,816,284
Adjustments for:				
Depreciation of plant and equipment	**13,537,447**	13,510,535	**124,869**	155,880
Gain on disposal of plant and equipment	**(88,000)**	-	**-**	-
Share of results of an associate	**40,626**	-	**-**	-
Profit from construction services contracts	**(36,962,848)**	(33,221,896)	**-**	-
Unrealised gain on foreign exchange	**(1,291,398)**	(2,425,650)	**-**	-
ESOS expense	**5,211,361**	-	**5,211,361**	-
Finance income - other liabilities at amortised costs	**-**	(435,804)	**-**	(7,678)
Interest expense	**11,795,017**	11,809,458	**290,401**	308,660
Interest income	**(2,608,579)**	(2,985,971)	**(1,035,409)**	(1,413,568)
Operating cash flows before changes in working capital	**59,223,440**	46,330,337	**22,228,740**	24,859,578
Changes in receivables	**(70,755,364)**	(28,315,984)	**(39,381,115)**	(31,009,137)
Changes in other current assets	**(661,537)**	(1,204,634)	**(969,158)**	(1,061,744)
Changes in payables	**30,603,731**	31,468,208	**35,743,509**	28,284,840
Cash flows generated from operations	**18,410,270**	48,277,927	**17,621,976**	21,073,537
Interest paid	**(10,599,775)**	(11,734,479)	**(290,401)**	(308,660)
Tax paid	**(10,034,293)**	(6,980,422)	**(4,429,698)**	(2,604,397)
Net cash flows (used in)/generated from operating activities	**(2,223,798)**	29,563,026	**12,901,877**	18,160,480

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

For the Year Ended 31 October 2017

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to intangible assets	**(129,071,687)**	(138,126,521)	**(4,585,962)**	(4,727,653)
Purchase of plant and equipment (Note 4)	**(922,927)**	(1,790,301)	**(92,676)**	(82,822)
Proceeds from disposal of plant and equipment	**88,000**	-	**-**	-
Acquisition of subsidiaries, net of cash and cash equivalents (Note 29)	**300**	-	**(12)**	-
Acquisition of equity interest in an associate (Note 7)	**(3,000,000)**	-	**-**	-
Advances to subsidiaries	**-**	-	**(37,214,061)**	(99,616,272)
Interest received	**2,608,579**	2,985,971	**1,035,409**	1,413,568
Net cash flows used in investing activities	**(130,297,735)**	(136,930,851)	**(40,857,302)**	(103,013,179)
CASH FLOWS FROM FINANCING ACTIVITIES				
Drawdown of term loans	**146,948,007**	177,617,827	**-**	-
Repayment of term loans	**(17,358,320)**	(65,257,420)	**-**	-
(Repayment)/Drawdown of borrowings	**(5,540,285)**	17,515,777	**(12,704,717)**	15,111,424
Placement of short term deposits with licensed banks	**(163,542)**	(1,982,683)	**-**	-
Proceeds from exercise of ESOS	**6,899,540**	-	**6,899,540**	-
Repayment of finance lease liabilities	**(478,852)**	(396,975)	**-**	-
Advances from subsidiaries	**-**	-	**35,737,440**	77,970,639
Dividend paid	**(2,800,996)**	(4,923,292)	**(2,800,996)**	(4,923,292)
Net cash flows generated from financing activities	**127,505,552**	122,573,234	**27,131,267**	88,158,771
NET CHANGES IN CASH AND CASH EQUIVALENTS	**(5,015,981)**	15,205,409	**(824,158)**	3,306,072
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**108,484,645**	93,279,236	**35,193,388**	31,887,316
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (NOTE 11)	**103,468,664**	108,484,645	**34,369,230**	35,193,388

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 October 2017

1. CORPORATE INFORMATION

Cypark Resources Berhad (the "Company") is a public limited liability company incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The principal place of business of the Company is located at 13A-09, Block A, Phileo Damansara II, No. 15, Jalan 16/11, 46350 Petaling Jaya, Selangor Darul Ehsan and 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 activities of the Company are investment holding, environmental engineering, landscaping and infrastructure, maintenance and provision of management services.

The principal activities of the subsidiaries are disclosed in Note 6 to the financial statements.

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

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") issued by the Malaysian Accounting Standards Board ("MASB"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The measurement bases applied in the preparation of the financial statements include historical cost, recoverable value, realisable value and fair value. Estimates are used in measuring these values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

A fair value measurement of a non-financial asset 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.

Fair value measurements are categorised as follows:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The financial statements are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Application of new or revised standards

In current year, the Group and the Company have applied a number of new standards, amendments and IC Interpretations that become effective mandatorily for the financial periods beginning on or after 1 November 2016.

The adoption of the new standards, amendments and IC Interpretations does not have significant impact on the financial statements of the Group and of the Company.

2.3 Standards issued but not yet effective

The Group and the Company have not applied the following new standards, amendments and IC Interpretations that have been issued by the MASB but are not yet effective.

		Applicable for the financial periods beginning on or after
Amendments to MFRS 107	Disclosure Initiative	1 January 2017
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to MFRS 12	Annual Improvements to MFRS Standards 2014–2016 Cycle	1 January 2017
Amendments to MFRS 1 and MFRS 128	Annual Improvements to MFRS Standards 2014–2016 Cycle	1 January 2018
MFRS 9	Financial Instruments	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
Amendments to MFRS 15	Clarifications to MFRS 15	1 January 2018
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018
Amendments to MFRS 140	Transfers of Investment Property	1 January 2018
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
MFRS 16	Leases	1 January 2019
IC Interpretation 23	Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures	1 January 2019
Amendments to MFRS 9	Prepayment Features with Negative Compensation	1 January 2019
MFRS 17	Insurance Contracts	1 January 2021
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced by the MASB

Except as otherwise indicated below, the adoption of the above new standards, amendments and IC Interpretations are not expected to have significant financial impact on the financial statements of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 October 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Standards issued but not yet effective (Cont'd)

MFRS 9 Financial Instruments

MFRS 9 addresses the classification, recognition, derecognition, measurement and impairment of financial assets and financial liabilities, as well as general hedge accounting. It replaces MFRS 139. MFRS 9 requires financial assets to be classified into two measurement categories, i.e. at fair value and at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the MFRS 139 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to changes in an entity's own credit risk is recorded in other comprehensive income, unless this creates an accounting mismatch. MFRS 9 contains a new impairment model based on expected losses (as oppose to 'incurred loss' model under MFRS 139), i.e. a loss event needs not occur before an impairment loss is recognised, which will result in earlier recognition of losses.

Management anticipates that the Group will need to account for expected credit losses and expects to use historical experience, modified by any future change such as credit risk of the customers. Additional disclosures may be made in respect to financial instruments including any significant judgement and estimation made. Management is currently assessing the estimable impact in the period of initial application and has yet to complete its detailed assessment. Management does not plan to early adopt MFRS 9.

MFRS 15 Revenue from Contracts with Customers

MFRS 15 introduces a new model for revenue recognition arising from contracts with customers. MFRS 15 will replace MFRS 111 Construction Contracts, MFRS 118 Revenue, IC Interpretation 13 Customer Loyalty Programmes, IC Interpretation 15 Agreements for the Construction of Real Estate, IC Interpretation 18 Transfers of Assets from Customers and IC Interpretation 31 Revenue - Barter Transactions Involving Advertising Services. The application of MFRS 15 may result in difference in timing of revenue recognition as compared with current accounting policies.

Management has performed a preliminary assessment of the application of MFRS 15 which is subject to change arising from a more detailed ongoing analysis. Management does not plan to early adopt MFRS 15.

MFRS 16 Leases

Currently under MFRS 117 *Leases*, leases are classified either as finance leases or operating leases. A lessee recognises on its statement of financial position assets and liabilities arising from finance leases but not operating leases. MFRS 16 eliminates the distinction between finance and operating leases for lessees. All leases will be brought onto its statement of financial position, and recording of certain leases as off-balance sheet leases will no longer be allowed except for some limited exemptions. For a lessee that has material operating leases, the application of MFRS 16 may result in significant increase in assets and liabilities reported on its statement of financial position as compared with MFRS 117.

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

The Group and the Company are currently assessing the impact to the financial statements upon adopting MFRS 16, and will adopt MFRS 16 on the mandatory effective date.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and of all its subsidiaries and entities controlled by the Company (including structured entities) made up to the end of the financial year.

The Company controls an investee if and only if the Company has all the following:

(i) power over the investee;

(ii) exposure, or rights, to variable returns from its involvement with the investee; and

(iii) the ability to use its power over the investee to affect the amount of the investor's returns.

Potential voting rights are considered when assessing control only if the rights are substantive.

The Company reassess whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of an investee shall begin from the date the Company obtains control of the investee and cease when the investor loses control of the investee.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

All intra-group balances, transactions, income and expenses are eliminated in full on consolidation and the consolidated financial statements reflect external transactions only.

The Company attributes the profit or loss and each component of other comprehensive income to the owners of the Company and to the non-controlling interests. The Company also attributes total comprehensive income to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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. MFRS 3: Business Combination, 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;

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 October 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Basis of consolidation (Cont'd)

The key features of the basis of consolidation under reverse acquisition are as follows: (cont'd)

- 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;

- The Company 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.

Changes of Interests in Subsidiaries

The changes of interests in subsidiaries that do not result in a loss of control are treated as equity transactions between the Group and non-controlling interest holders. Any gain or loss arising from equity transactions is recognised directly in equity.

Loss of control

When the Company loses control of a subsidiary:

(i) It derecognises the assets and liabilities, non-controlling interests, and other amounts previously recognised in other comprehensive income relating to the former subsidiary.

(ii) It recognises any gain or loss in profit or loss attributable to the Group, which is calculated as the difference between (i) the aggregate of the fair value of the consideration received, if any, from the transaction, event or circumstances that resulted in the loss of control; plus any investment retained in the former subsidiary at its fair value at the date when control is lost; and (ii) the net carrying amount of assets, liabilities, goodwill and any non-controlling interests attributable to the former subsidiary at the date when control is lost.

(iii) It recognises any investment retained in the former subsidiary at its fair value when control is lost and subsequently accounts for it and for any amounts owed by or to the former subsidiary in accordance with relevant MFRS. That fair value shall be regarded as the fair value on initial recognition of a financial asset in accordance with MFRS 9 or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Basis of consolidation (Cont'd)

Transactions with non-controlling interests

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in profit or loss of the Group and within equity in the consolidated statements of financial position, separately from parent shareholders' equity.

Transactions with non-controlling interests are accounted for using the entity concept method, whereby, transactions with minority interests are accounted for as transactions with owners.

On acquisition of non-controlling interests, the difference between the consideration and book value of the share of the net assets acquired is recognised directly in equity. Gain or loss on disposal to non-controlling interests is recognised directly in equity.

2.5 Business combination

The Group accounts for each business combination by applying the acquisition method.

The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity interests issued by the acquirer.

The Group accounts for acquisition related costs as expenses in the periods in which the costs are incurred and the services are received.

For each business combination, the Group measures at the acquisition date, components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation at either: (i) fair value; or (ii) the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets.

On the date of acquisition, goodwill is measured as the excess of (a) over (b) below:

(a) The aggregate of: (i) the fair value of consideration transferred; (ii) the amount of any non-controlling interest in the acquiree; and (ii) in a business combination achieved in stages, the fair value of the Group's previously held equity interest in the investee.

(b) The net fair value of the identifiable assets acquired and the liabilities assumed.

A business combination in which the amount in (b) above exceeds the aggregate of the amounts in (a) above, the Group recognises the resulting gain in profit or loss on the acquisition date.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 October 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Investments in subsidiaries

In the Company's separate financial statements, investments in subsidiaries are measured at cost less impairment losses, if any. Impairment losses are charged to profit or loss.

On disposal, the difference between the net disposal proceeds and the carrying amount of the subsidiary disposed of is recognised in profit or loss.

2.7 Investment in an associate

An associate is an entity in which the Group has significant influence and that is neither a subsidiary nor an interest in a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has significant influence.

An investment in an associate is accounted for in the consolidated financial statements using the equity method of accounting from the date on which the Group obtains significant influence until the date the Group ceases to have a significant influence over the associate. Under the equity method, the investment in an associate is initially recognised at cost and adjusted thereafter for post-acquisition changes in the Group's share of net assets of the associate.

The Group's share of net profit or loss and changes recognised directly in the other comprehensive income of the associate is recognised in the consolidated statement of comprehensive income.

Premium relating to an associate is included in the carrying value of the investment and it is not tested for impairment separately. Instead, the entire carrying amount of the investment is tested for impairment.

Discount on acquisition is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss in the period in which the investment is acquired.

Unrealised gains or losses on transactions between the Group and its associate are eliminated to the extent of the Group's interest in the associate.

Equity accounting is discontinued when the carrying amount of the investment in an associate diminishes by virtue of losses to zero, unless the Group has legal or constructive obligations or made payments on behalf of the associate.

The results and reserves of associate is accounted for in the consolidated financial statements based on financial statements made up to the end of the financial year and prepared using accounting policies that conform to those used by the Group for like transactions in similar circumstances.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate is recognised at fair value on the date when significant influence is lost. Any gain or loss arising from the loss of significant influence over an associate is recognised in profit or loss.

When changes in the Group's interest in an associate that do not result in a loss of significant influence, the retained interest in the associate is not remeasured. Any gain or loss arising from the changes in the Group's interest in the associate is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Investment in an associate (Cont'd)

In the Company's separate financial statements, investment in an associate is measured at cost less impairment losses, if any. Impairment loss is recognised in profit or loss.

On disposal, the difference between the net disposal proceeds and the carrying amount of the associate disposed of is recognised in profit or loss.

2.8 Plant and equipment

(a) Measurement basis

Plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

The cost of plant and equipment includes expenditure that is directly attributable to the acquisition of the assets.

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

Plant and equipment are derecognised upon disposal or when no future economic benefits are expected from their use or disposal. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

(b) Depreciation

Capital work-in-progress is not depreciated as the asset is not yet available for use.

Depreciation is calculated to write off the depreciable amount of other plant and equipment on a straight line basis over their estimated useful lives. Depreciable amount is determined after deducting the residual value from the cost.

The principal annual rates used for this purpose are:

Machinery, furniture and site equipment	20%
Office equipment and renovation	10% - 20%
Motor vehicles	20%
Computer and peripherals	20% - 33.33%
Plant	4.76%

The residual values, useful lives and depreciation method are reviewed, and adjusted if appropriate, at each reporting date.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 October 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Intangible assets

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

Intangible assets comprising concession rights and the intangible asset model, as defined in IC 12 are stated as cost less accumulated amortisation and impairment losses.

Intangible assets are not amortised during the year as the concession assets are still under construction. The amortisation begins when the concession assets are completed and ready for it to be capable of operating in the manner intended by management. The management intends to adopt the revenue-based amortisation policy over the duration of the concession agreement, which is in line with the pattern in which the assets' economic benefits are consumed.

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 111 *Construction Contracts*.

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) Research and development expenditure

Research expenditure is recognised as an expense when it is incurred.

Expenditure on development activities, whereby the application research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised as intangible assets when the following criteria are fulfilled:

(i) it is technically feasible to complete the intangible asset so that it will be available for use or sale;

(ii) management intends to complete the intangible asset and use or sell it;

(iii) there is an ability to use or sell the intangible asset;

(iv) it can be demonstrated how the intangible asset will generate probable future economic benefits;

(v) adequate technical, financial and other resources, to complete the development projects and to use or sell the intangible asset, are available; and

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Intangible assets (Cont'd)

(b) Research and development expenditure (Cont'd)

(vi) the expenditure attributable to the intangible asset during its development can be reliably measured.

The expenditure capitalised include the cost of materials, expertise, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use. Capitalised development expenditure is measured at cost less accumulated amortisation and impairment losses, if any. Development expenditure initially recognised as an expense is not recognised as assets in the subsequent period.

Capitalised development expenditure is measured at cost less accumulated amortisation and impairment losses, if any. Development expenditure initially recognised as an expense is not recognised as an asset in the subsequent period. Other development expenditure that do not meet these criteria is recognised as an expense when incurred.

The development expenditure is amortised on a straight-line basis over its useful life 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.

(c) Club membership

Club membership is stated at cost. It is not amortised as it has an indefinite useful life.

(d) Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

2.10 Impairment of non-financial assets

(a) Goodwill

Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that the goodwill may be impaired.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("CGU") that are expected to benefit from synergies of the business combination.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 October 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Impairment of non-financial assets (Cont'd)

(a) Goodwill (Cont'd)

An impairment loss is recognised when the carrying amount of the CGU, including the goodwill, exceeds the recoverable amount of the CGU. Recoverable amount of the CGU is the higher of the CGU's fair value less cost to sell and its value in use.

The total impairment loss is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU proportionately on the basis of the carrying amount of each asset in the CGU.

Impairment loss recognised for goodwill is not reversed in the event of an increase in recoverable amount in subsequent periods.

(b) Other non-financial assets

Plant and equipment, intangible assets other than goodwill, investments in subsidiaries and investment in an associate are assessed at each reporting date to determine whether there is any indication of impairment.

If such an indication exists, the asset's recoverable amount is estimated. The recoverable amount is the higher of an asset's fair value less cost to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

An impairment loss is recognised whenever the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

Any reversal of an impairment loss as a result of a subsequent increase in recoverable amount should not exceed the carrying amount that would have been determined (net of amortisation or depreciation, if applicable) had no impairment loss been previously recognised for the asset.

2.11 Financial instruments

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Initial recognition and measurement

A financial instrument is recognised in the financial statements when, and only when, the Group and the Company become a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Financial instruments (Cont'd)

(b) Financial instrument categories and subsequent measurement

Financial assets

Financial assets are classified as either financial assets at fair value through profit or loss, available-for-sale financial assets, held-to-maturity investments or loans and receivables, as appropriate. Management determines the classification of the financial assets upon initial recognition depends on the nature and purpose of the 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. A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting.

Financial assets at fair value through profit or loss

This category includes financial assets held for trading, including derivatives (except for a derivative that is a designated and effective hedging instrument) and financial assets that are specifically designated into this category upon initial recognition. On initial recognition, these financial assets are measured at fair value.

The subsequent measurement of financial assets in this category is at fair values with changes in fair value recognised as gains or losses.

The Group and the Company have not designated any financial assets as at fair value through profit or loss.

Loans and receivables

This category comprises trade and other receivables and cash and cash equivalents. They are included in current assets, except for maturities greater than 12 months after the reporting date, which are classified as non-current assets.

The subsequent measurement of financial assets in this category is at amortised cost using the effective interest method, less allowance for impairment losses.

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold the investment to maturity.

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 October 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Financial instruments (Cont'd)

(b) Financial instrument categories and subsequent measurement (Cont'd)

Held-to-maturity investments (cont'd)

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the reporting date which are classified as current.

The Group and the Company have not designated any financial assets as held-to-maturity investments.

Available for sale financial assets

This category comprises investments in equity and debt securities that are not held for trading or designated at fair value through profit or loss.

The subsequent measurement of financial assets in this category is at fair value, unless the fair value cannot be measured reliably, in which case they are measured at cost less impairment loss.

Any gains or losses arising from changes in fair value of a financial asset in this category are recognised in other comprehensive income, except for impairment losses, until the investment is derecognised, at which time the cumulative gain or loss previously reported in other comprehensive income is reclassfied to the income statement. Interest calculated for a debt instrument using the effective interest method is recognised in the income statement.

The Group and the Company have not designated any financial assets as available-for-sale financial assets.

Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities at amortised cost.

Financial liabilities at fair value through profit or loss comprises financial liabilities that are held for trading, derivatives (except for a designated and effective hedging instrument) and financial liabilities that are specifically designated into this category upon initial recognition. These financial liabilities are subsequently measured at their fair values with the gain or loss recognised in the profit or loss.

The Group and the Company only have financial liabilities categorised as financial liabilities at amortised cost which are measured using the effective interest method and are recognised in profit or loss.

(c) Derecognition of financial assets and liabilities

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Financial instruments (Cont'd)

(c) Derecognition of financial assets and liabilities (Cont'd)

On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received together with any cumulative gain or loss that has been recognised in equity is recognised in profit or loss.

A financial liability or part of it is derecognised when, and only when, the obligation specified in the contract is discharge or cancelled or expires.

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.

2.12 Impairment of financial assets

All financial assets, except for investments in subsidiaries, are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment.

Assets carried at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against carrying amount of the financial asset.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2.13 Equity instruments

Ordinary shares are recorded at the proceed received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity instruments.

Dividends on equity instruments are recognised in equity in the period in which they are declared.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 October 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Revenue recognition

(a) Landscaping, infrastructure, environmental engineering projects and maintenance contracts

The contracts comprise revenue from providing an integral turnkey contract services, management services and planning and design services for external built environments and infrastructure works.

Revenue from landscaping, infrastructure and environmental engineering projects are recognised based on claims submitted to or certified by customers. Maintenance contracts are based on scheduled monthly work performed as stipulated in the contracts.

Revenue from landfill projects are recognised based on work performed in accordance to a percentage of completion basis.

(b) Sale of electricity generated from renewable energy park

Revenue from the sale of electricity generated from the renewable energy park is recognised as and when the electricity is delivered to the off-taker, based on the invoiced value of sale of electricity computed at a pre-determined rate. This revenue also includes an estimated value of the electricity delivered from the date of their last meter reading and period end. Accrued unbilled revenues are reversed in the following month when actual billings occur.

(c) Construction contracts

Revenue from construction contracts is recognised on the percentage of completion method where the outcome of the contracts can be reliably estimated.

Revenue from construction contracts represents the proportionate contract value on construction contracts attributable to the percentage of contract work performed during the financial year.

(d) Management fee

Revenue from management fee is recognised on accrual basis when the services are rendered.

(e) Dividend income

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

(f) Interest income

Interest income is recognised using the effective interest method.

(g) Services

Revenue from services fee is recognised on accrual basis when the services are performed.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 Leases

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time.

(a) Finance lease

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred.

Plant and equipment acquired by way of finance leases are stated at amount equal to the lower of their fair values and the present value of minimum lease payments at the inception of the leases, less accumulated depreciation and any impairment losses.

In calculating the present value of the minimum lease payments, the discount rate is the interest rate implicit in the leases, if this is determined, if not the Group's incremental borrowing rate is used.

(b) Operating lease

An operating lease is a lease other than a finance lease.

Operating lease income or operating lease rentals are credited or charged to profit or loss on a straight-line basis over the period of the lease.

2.16 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

2.17 Employee benefits

(a) Short term employee benefits

Wages, salaries, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as an expense in the period in which the associated services are rendered by employees.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 October 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.17 Employee benefits (Cont'd)

(b) Defined contribution plans

The Company and its subsidiaries pay monthly contributions to the Employees Provident Fund ("EPF") which is a defined contribution plan.

The legal or constructive obligation of the Company and its subsidiaries is limited to the amount that they agree to contribute to the EPF. The contributions to the EPF are charged to profit or loss in the period to which they relate.

(c) Employees leave entitlement

Employees entitlement to annual leave are recognised as a liability when they accrue to the employee. The estimated liability for leave is recognised for services rendered by employees up to the reporting date.

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

Employees and directors of the Group receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled transactions with employees and directors is measured by reference to the fair value of the options at the date on which the options are granted. This cost is recognised in profit or loss, with a corresponding increase in the employee share option reserve over the vesting period.

The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised at the beginning and end of that period.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

The employee share option reserve is transferred to retained earnings upon expiry of the share options. When the options are exercised, the employee share option reserve is transferred to share capital if new shares are issued.

2.18 Government grant

Government grants, including non-monetary grants at fair value, shall not be recognised until there is reasonable assurance that: (a) the Group will comply with the conditions attaching to them; and (b) the grants will be received.

Government grants shall be recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. The Group has presented the grant as a deduction in the related expenses.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.19 Income tax

The income tax expense in profit or loss represents the aggregate amount of current tax and deferred tax.

Current tax is the expected income tax payable or receivable on the taxable income or loss for the year, estimated using the tax rates enacted or substantially enacted by the end of the reporting period.

On the statements of financial position, a deferred tax liability is recognised for taxable temporary differences while a deferred tax asset is only recognised for deductible temporary differences and unutilised tax losses to the extent that it is probable that taxable profit will be available in future against which the deductible temporary differences and unutilised tax losses can be utilised.

No deferred tax is recognised for temporary differences arising from the initial recognition of:

(i) goodwill, or

(ii) an asset or liability which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured based on tax consequences that would follow from the manner in which the asset or liability is expected to be recovered or settled, and based on the tax rates enacted or substantively enacted by the end of the reporting period that are expected to apply to the period when the asset is realised or when the liability is settled.

Current tax and deferred tax are charged or credited directly to other comprehensive income if the tax relates to items that are credited or charged, whether in the same or a different period, directly to other comprehensive income.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to same taxable entity and the same taxation authority.

2.20 Foreign currencies

(a) Functional currency is the currency of the primary economic environment in which an entity operates.

The financial statements of each entity within the Group are measured using their respective functional currency.

(b) Transactions and balances in foreign currencies

Transactions in currencies other than the functional currency ("foreign currencies") are translated to the functional currency at the rate of exchange ruling at the date of the transaction.

Monetary items denominated in foreign currencies at the reporting date are translated at foreign exchange rates ruling at that date.

Non-monetary items which are measured in terms of historical costs denominated in foreign currencies are translated at foreign exchange rates ruling at the date of the transaction.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 October 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.20 Foreign currencies (Cont'd)

(b) Transactions and balances in foreign currencies (Cont'd)

Non-monetary items which are measured at fair values denominated in foreign currencies are translated at the foreign exchange rates ruling at the date when the fair values were determined.

Exchange differences arising on the settlement of monetary items and the translation of monetary items are included in profit or loss for the period.

When a gain or loss on a non-monetary item is recognised directly in other comprehensive income, any corresponding exchange gain or loss is recognised directly in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any corresponding exchange gain or loss is recognised in profit or loss.

(c) Translation of foreign operations

For consolidation purposes, all assets and liabilities of foreign operations that have a functional currency other than RM are translated at the exchange rates ruling at the reporting date.

Income and expense items are translated at exchange rates approximating those ruling on transactions dates.

All exchange differences arising from the translation of the financial statements of foreign operations are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in profit or loss.

2.21 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, short term deposits at call and short term deposits pledged to banks which are subject to insignificant risk of changes in value and have average maturity below 90 days.

For the purpose of statements of cash flows, cash and cash equivalents exclude short term deposits with maturity above 90 days.

2.22 Construction contracts

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised over the period of contract as revenue and expenses respectively. The Group and the Company use the percentage of completion method to determine the appropriate amount of revenue and costs to recognise in a given period; the stage of completion is measured by reference to the certified work done to date of the proportion the contract costs incurred for work performed to date compared to the estimated total contract costs.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that is probably will be recoverable; contract costs are recognised as an expense in the period in which they are incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.22 Construction contracts (Cont'd)

Irrespective of whether the outcome of the construction contract can be estimated reliably, when it is probable that the total contract costs will exceed the total contract revenue, the expected loss is recognised as an expense immediately.

The aggregate of the cost incurred and the attributable profit or loss recognised on each contract is compared against the progress billing up to the financial year end. When costs incurred plus attributable profits (less foreseeable losses, if any), exceed progress billing, the balance is shown as amount due from customers on construction contracts under receivables (within current assets). Where progress billing exceeds cost incurred plus attributable profits (less foreseeable losses, if any), the balance is shown as amount due to customers on construction contracts under payables (within current liabilities).

2.23 Provisions

Provisions are recognised when the Group has 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.

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. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.24 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.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Company, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

At the reporting date, no value was placed on corporate guarantee provided by the Company to secure credit facility granted to its subsidiaries because there was no significant difference in the net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee where the directors regard the value of the credit enhancement provided by the corporate guarantee as minimal.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 October 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.25 Segment reporting

For management purposes, the Group is organised into operating segments based on their services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Group who regularly reviews the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 30 to the financial statements, including the factors used to identify the reportable segments and the measurement basis of segment information.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of financial statements requires management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosures of contingent assets and liabilities at the end of reporting period, and reported amounts of income and expenses during the financial year.

Although these estimates are based on management's best knowledge of current events and actions, historical experiences and various other factor, including expectations for future events that are believed to be reasonable under the circumstances, actual results may ultimately differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

3.1 Judgments made in applying accounting policies

The significant judgements made by management in the process of applying the Group's accounting policies that have a significant effect on the amounts recognised in the financial statements are as follows:

(a) Revenue from landscaping, infrastructure and environmental engineering projects

The Group and the Company recognise revenue from landscaping, infrastructure and environmental projects based on claims submitted to or certified by customers. However, there are circumstances where revenue is recognised based on work performed but yet to be certified by customers, which are commonly encountered in the final claim submitted upon the completion of the entire project.

In such circumstances, significant judgement is required in determining the amount to be recognised as revenue based on work performed. In making the judgement, the Group and the Company evaluate based on past experience and by relying on the work of other specialists. It is also the policy of the Group and of the Company to have informal discussion with the customers on the amount to be claimed before the formal claims are submitted.

The directors are of the opinion that all claims submitted based on work performed will not differ materially from the eventual certification by the customers.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

3.1 Judgments made in applying accounting policies (Cont'd)

(b) Revenue from construction and services contracts

The Group and the Company recognise contract revenue and cost based on percentage of completion method. The stage of completion is measured by reference to the contract costs incurred for work performed to date bear to the estimated total contract costs. Significant judgement is required in determining the stage of completion, the extent of the contract costs incurred, the estimated total contract revenue (for contracts other than fixed price contracts) and contract costs, as well as the recoverability of the contracts. Total contract revenue also includes an estimation of the recoverable variation works that are recoverable from customers. In making these judgements, the Group and the Company rely on past experience and work of specialist.

(c) Revenue and cost recognition for intangible assets model

The Group adopts the intangible asset model as defined in IC 12, and has recognised a reasonable construction margin for the construction of its concession assets. Income and expenses associated with the said construction are recognised based on percentage of completion method. The estimated margin is based on relative fair value of the concession assets less estimated cost of construction of the concession assets.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources associated with estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are as follows:

(a) Impairment of intangible assets

The Group and the Company determine whether concession asset, development expenditure and goodwill are impaired at least on an annual basis. This requires an estimation of the value in use of the CGU to which these assets are allocated. Estimating the value in use requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those future cash flows. The future cash flows are most sensitive to budgeted gross margins, growth rates and discount rate used. If the expectation is different from the estimation, such difference will impact the carrying amounts of the intangible assets.

(b) Impairment of investments in subsidiaries and plant and equipment

The management determines whether the carrying amounts of its investments in subsidiaries and plant and equipment are impaired at each reporting date. This involves measuring the recoverable amounts which includes fair value less costs to sell. Based on the assessment of the directors, adequate impairment losses have been recognised in the financial statements of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 October 2017

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

3.2 Key sources of estimation uncertainty (Cont'd)

(c) Impairment of loans and receivables

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivables at the reporting date is disclosed in Note 9.

(d) ESOS

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and model used for estimating fair value for payment transactions are disclosed in Note 14.

(e) Income taxes

Significant judgement is involved in determining the capital allowances and deductibility of expenses during the estimation of the provision for income tax. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(f) Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unutilised tax credits and tax losses to the extent that it is probable that taxable profits will be available in future against which the deductible temporary differences and unutilised tax losses can be utilised.

Significant judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profit together with future tax planning strategies.

4. PLANT AND EQUIPMENT

Group	Machinery, furniture and site equipment RM	Office equipment and renovation RM	Motor vehicles RM	Computer and peripherals RM	Plant RM	Capital work-in-progress RM	Total RM
Cost							
At 1 November 2015	3,705,764	691,081	3,581,662	1,411,460	264,677,834	19,554,989	293,622,790
Additions	-	1,394	562,000	86,651	1,018,217	572,039	2,240,301
Reversal	-	-	-	-	-	(369,032)	(369,032)
Reclassification	-	-	-	-	47,203	(47,203)	-
At 31 October 2016	3,705,764	692,475	4,143,662	1,498,111	265,743,254	19,710,793	295,494,059
Additions	-	126,573	1,163,763	22,707	-	638,884	1,951,927
Disposals	-	-	(547,830)	-	-	-	(547,830)
At 31 October 2017	**3,705,764**	**819,048**	**4,759,595**	**1,520,818**	**265,743,254**	**20,349,677**	**296,898,156**
Accumulated depreciation							
At 1 November 2015	2,083,127	501,622	2,239,712	1,270,397	35,290,155	-	41,385,013
Charge for the year	187,462	115,057	490,078	68,550	12,649,388	-	13,510,535
At 31 October 2016	2,270,589	616,679	2,729,790	1,338,947	47,939,543	-	54,895,548
Charge for the year	173,029	88,825	555,333	62,418	12,657,842	-	13,537,447
Disposals	-	-	(547,830)	-	-	-	(547,830)
At 31 October 2017	**2,443,618**	**705,504**	**2,737,293**	**1,401,365**	**60,597,385**	**-**	**67,885,165**
Net carrying amount							
At 31 October 2017	**1,262,146**	**113,544**	**2,022,302**	**119,453**	**205,145,869**	**20,349,677**	**229,012,991**
At 31 October 2016	1,435,175	75,796	1,413,872	159,164	217,803,711	19,710,793	240,598,511

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For the Year Ended 31 October 2017

4. PLANT AND EQUIPMENT (CONT'D)

Company	**Office equipment and renovation RM**	**Motor vehicles RM**	**Computer and peripherals RM**	**Total RM**
Cost				
At 1 November 2015	458,850	30,049	230,159	719,058
Additions	-	-	82,822	82,822
At 31 October 2016	458,850	30,049	312,981	801,880
Additions	69,969	-	22,707	92,676
At 31 October 2017	**528,819**	**30,049**	**335,688**	**894,556**
Accumulated depreciation				
At 1 November 2015	346,305	25,110	113,315	484,730
Charge for the year	91,169	4,294	60,417	155,880
At 31 October 2016	437,474	29,404	173,732	640,610
Charge for the year	69,621	645	54,603	124,869
At 31 October 2017	**507,095**	**30,049**	**228,335**	**765,479**
Net carrying amount				
At 31 October 2017	**21,724**	**-**	**107,353**	**129,077**
At 31 October 2016	21,376	645	139,249	161,270

4. PLANT AND EQUIPMENT (CONT'D)

Acquisitions of plant and equipment during the financial year were financed by:

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Cash payments	**922,927**	1,790,301	**92,676**	82,822
Finance lease arrangement	**1,029,000**	450,000	**-**	-
	1,951,927	2,240,301	**92,676**	82,822

Assets held under finance lease

The carrying amount of Group's motor vehicles held under finance leases at the reporting date was RM2,022,302 (2016: RM1,411,940).

The Group's motor vehicles held under finance leases are pledged as security for the related lease liabilities (Note 25 (c)).

Capital work in-progress

The capital work in-progress relates to expenditures for renewable energy plants in the course of construction.

Capitalisation of borrowing costs

The Group's plant and equipment include 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 as cost of plant and equipment amounted to RM397,954 (2016: RM499,101).

5. INTANGIBLE ASSETS

Group	Intangible asset recognised pursuant to IC 12 RM	Development expenditure RM	Club membership RM	Goodwill RM	Total RM
At 1 November 2015	358,505,371	9,194,321	170,000	455,148	368,324,840
Additions	168,099,798	3,248,619	-	-	171,348,417
At 31 October 2016	526,605,169	12,442,940	170,000	455,148	539,673,257
Additions	162,861,368	3,165,963	-	7,204	166,034,535
At 31 October 2017	**689,466,537**	**15,608,903**	**170,000**	**462,352**	**705,707,792**

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 October 2017

5. INTANGIBLE ASSETS (CONT'D)

Company	2017 RM	2016 RM
Development expenditure		
At 1 November	**15,784,716**	11,057,063
Additions	**4,585,962**	4,727,653
At 31 October	**20,370,678**	15,784,716

(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 systems (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 that entails SMART 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 calculation using cash flows projections covering a period of 25 years from financial budgets approved by the directors.

5. INTANGIBLE ASSETS (CONT'D)

(a) Intangible asset recognised pursuant to IC 12 (Cont'd)

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.

During the financial year, the borrowing costs capitalised in the intangible asset amounted to RM19,263,033 (2016: RM11,684,737).

The intangible asset is pledged as security for the borrowing as disclosed in Note 15.

(b) Development expenditure

Development expenditure comprise 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 from the development.

The development expenditure is not amortised during the financial year (2016: NIL) as it is not ready for its intended use as at the end of the reporting period. The development expenditure will be amortised using the straight-line basis over the estimated commercial lives once it is ready for use.

The recoverable amount has been determined based on value in use calculation using cash flows projections covering a period of 26 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.

(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 21 years from financial budgets approved by the directors.

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For the Year Ended 31 October 2017

5. INTANGIBLE ASSETS (CONT'D)

(c) Goodwill (Cont'd)

(ii) Goodwill allocated to subsidiaries in sale of renewable energy segment (Cont'd)

The cash flows were projected based on past experience, actual operating results and long term budget as the subsidiaries have entered into Renewable Energy Power Purchase Agreement ("REPPA") with Tenaga Nasional Berhad for the sale of green electricity to them for a duration of 21 years from the day of inception. Management believe that the forecast was justified due to the long term nature of the business.

The revenue is projected in accordance with the installed capacity of the plant and FiT rate as stated in the REPPA. The budgeted gross margin used to determine the gross margin is the average gross margin achieved in the similar industry and achieved by the subsidiaries in the period immediately before the budget period.

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 rates ranging from 7% to 12% (2016: 7% to 12%) to the relevant future cash flows.

6. INVESTMENTS IN SUBSIDIARIES

	Company	
	2017	**2016**
	RM	**RM**
Unquoted shares, at cost	**43,150,982**	42,150,970

The subsidiaries, all incorporated in Malaysia, are as follows:

Name of subsidiaries	Principal activities	Proportion (%) of ownership interest	
		2017	**2016**
Held by the Company:			
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

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of subsidiaries	Principal activities	Proportion (%) of ownership interest 2017	2016
Held by the Company:			
Cypark Smart Resources Sdn. Bhd.	Investment holding	**100**	100
Cypark FMS Sdn. Bhd.	Investment holding	**100**	-
Cypark Green Tech Sdn. Bhd.	Investment holding	**100**	-
Held through Cypark Renewable Energy Sdn. Bhd.:			
Cypark Suria (Negeri Sembilan) Sdn. Bhd.	Investment holding	**100**	100
Kenari Pasifik Sdn. Bhd.*#	Investment holding	**-**	-
Tiara Insight Sdn. Bhd.*#	Investment holding	**-**	-
Semangat Sarjana Sdn. Bhd.*#	Investment holding	**-**	-
Held through Cypark Suria (Negeri Sembilan) Sdn. Bhd.:			
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
Cypark Suria (Sua Betong) Sdn. Bhd.	Dormant	**100**	100
Held through Kenari Pasifik Sdn. Bhd.:			
Gaya Dunia Sdn. Bhd.*#	Renewable energy	**-**	-
Held through Tiara Insight Sdn. Bhd.:			
Rentak Raya Sdn. Bhd.*#	Renewable energy	**-**	-
Held through Semangat Sarjana Sdn. Bhd.:			
Ambang Fiesta Sdn. Bhd.*#	Renewable energy	**-**	-
Held through Cypark Smart Resources Sdn. Bhd.:			
Cypark Smart Technology (Holdings) Sdn. Bhd.	Investment holding	**100**	100

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For the Year Ended 31 October 2017

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of subsidiaries	Principal activities	Proportion (%) of ownership interest	
		2017	**2016**
Held through Cypark Smart Technology (Holdings) Sdn. Bhd.:			
Cypark Smart Technology (NS) Sdn. Bhd.	Investment holding	**100**	100
Held through Cypark Smart Technology (NS) Sdn. Bhd.:			
Cypark Smart Technology Sdn. Bhd.	Waste management facilities	**100**	100
Held through Cypark FMS Sdn. Bhd.:			
Aomori Kogaku Sdn. Bhd.	Dormant	**70**	-
Held through Cypark Green Tech Sdn. Bhd.:			
Reviva Sdn. Bhd.	Investment holding	**100**	-
Cypark RE Store Sdn. Bhd. (formerly knowns as Cypark Restore Sdn. Bhd.)	Dormant	**100**	-

* *Audited by firm other than Mazars PLT*

Refer to Note 6 (b)

(a) On 30 November 2016, the Company increased its equity interest in Cypark Renewable Energy Sdn. Bhd. ("CRE") from RM1,000,000 to RM2,000,000 by way of subscribing 1,000,000 ordinary shares of RM1 each in CRE through the capitalisation of amount owing by CRE amounting RM1,000,000 to the Company.

(b) Business combination

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 with control obtained on 30 April 2013. Consequently, the Group consolidates these six companies as subsidiaries.

(c) The Group has assessed the non-controlling interest in the subsidiary of the Group and has determined that the non-controlling interest is not material to the Group's financial position as at 31 October 2017.

7. INVESTMENT IN AN ASSOCIATE

	Group	
	2017	**2016**
	RM	**RM**
Unquoted shares, at cost	**3,000,000**	-
Group's share of results	**(40,626)**	-
	2,959,374	-

The associate, incorporated in Malaysia, is as follows:

Name of associate	Principal activity	Proportion (%) of ownership interest 2017	2016
Held through Reviva Sdn. Bhd.:			
BAC Biomass (Kg. Gajah) Sdn. Bhd.	Business in design, develop and maintain biomass based renewable energy facility	**34%**	-

The associate is audited by firm other than Mazars PLT.

The associate is accounted for using equity method in the consolidated financial statements.

The financial year end of the associate is 31 December. The financial year end of the associate is determined by the controlling shareholders of the associate since its incorporation. For the purpose of applying equity method in the consolidated financial statements, the financial information of the associate for the period ended 31 October 2017 had been used.

The summarised financial information of the Group's associate as at 31 October 2017 is as follows:

	2017
	RM
Non-current assets	**2,418,832**
Current assets	**1,467,789**
Current liabilities	**(5,061)**
Revenue	**106,406**
Loss for the period	**(119,490)**
Total comprehensive loss for the period	**(119,490)**

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 October 2017

7. INVESTMENT IN AN ASSOCIATE (CONT'D)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements is as follows:

	2017 RM
Net assets	**3,881,560**
Proportion of ownership interest held by the Group	**34%**
Group's share of net assets	**1,319,730**
Goodwill	**1,639,644**
Carrying amount of the Group's interest in the associate	**2,959,374**

8. DEFERRED TAX ASSETS/(LIABILITIES)

Deferred tax assets/(liabilities) as at reporting date relate to the following:

Group	As at 1 November 2015 RM	Recognised in profit or loss (Note 22) RM	As at 31 October 2016 RM	Recognised in profit or loss (Note 22) RM	As at 31 October 2017 RM
Deferred tax assets:					
Provisions	30,926	19,758	50,684	4,475	**55,159**
Trade payables	896,800	(587,778)	309,022	(307,929)	**1,093**
Trade receivables	50,958	(50,958)	-	-	**-**
Unabsorbed capital allowances	30,141,000	4,680,970	34,821,970	4,010,278	**38,832,248**
Unabsorbed investment tax allowances	1,045,262	1,161,035	2,206,297	971,954	**3,178,251**
	32,164,946	5,223,027	37,387,973	4,678,778	**42,066,751**
Deferred tax liabilities:					
Plant and equipment	(30,717,337)	(5,841,982)	(36,559,319)	(5,016,107)	**(41,575,426)**
	1,447,609	(618,955)	828,654	(337,329)	**491,325**
Company					
Deferred tax assets:					
Provisions	7,226	19,665	26,891	8,856	**35,747**
Deferred tax liabilities:					
Plant and equipment	(10,226)	(2,665)	(12,891)	7,144	**(5,747)**
	(3,000)	17,000	14,000	16,000	**30,000**

8. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

Presented after appropriate offsetting as follows:

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Deferred tax assets	**516,325**	838,654	**30,000**	14,000
Deferred tax liabilities	**(25,000)**	(10,000)	**-**	-
	491,325	828,654	**30,000**	14,000

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2017	2016
	RM	RM
Unutilised business losses	**23,911,858**	8,930,294
Unabsorbed investment tax allowances	**247,796,182**	251,846,009
	271,708,040	260,776,303

The Group is eligible to claim 100% (2016: 100%) investment tax allowance ("ITA") on all qualifying expenditures incurred for its renewable energy business segment, within 5 years from the date that the qualifying expenditure is first incurred. ITA on the said qualifying expenditure together with unutilised business losses are available for offset against the future taxable profits of the Group, subject to the agreement of the Inland Revenue Board.

9. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Non-current				
Trade receivables				
Retention sums	**3,629,439**	5,171,075	**-**	-
Current				
Trade receivables				
Third parties (Note 9(a))	**86,686,927**	36,370,004	**32,177,245**	8,238,074
Retention sums	**3,937,536**	1,791,198	**699,226**	699,226
Unbilled amounts due from customers on work performed (Note 9(a))	**161,003,827**	142,189,090	**127,519,670**	111,104,696
Amounts due from subsidiaries (Note 9(b))	**-**	-	**10,900,000**	11,800,000
	251,628,290	180,350,292	**171,296,141**	131,841,996

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For the Year Ended 31 October 2017

9. TRADE AND OTHER RECEIVABLES (CONT'D)

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Other receivables				
Amounts due from subsidiaries (Note 9(b))	**-**	-	**280,349,475**	244,135,414
Sundry receivables	**9,506,071**	8,505,360	**285,123**	327,543
Refundable deposits	**2,565,195**	2,327,188	**166,634**	197,244
	12,071,266	10,832,548	**280,801,232**	244,660,201
	263,699,556	191,182,840	**452,097,373**	376,502,197
Total trade and other receivables	**267,328,995**	196,353,915	**452,097,373**	376,502,197
Total trade and other receivables	**267,328,995**	196,353,915	**452,097,373**	376,502,197
Add: Cash and bank balances (Note 11)	**108,511,739**	113,364,178	**34,369,230**	35,193,388
Less: Unbilled amounts due from customers on work performed	**(161,003,827)**	(142,189,090)	**(127,519,670)**	(111,104,696)
Total loans and receivables	**214,836,907**	167,529,003	**358,946,933**	300,590,889

(a) Trade receivables

The Group's and the Company's normal trade credit term ranges from 60 to 90 (2016: 60 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.

The retention sums are due upon the expiry of the defect liability period stated in the respective contracts. The defect liability periods ranged from 12 to 36 (2016: 12 to 36) months.

Subsequent to the financial year end and up to the date of this report, the Group and the Company has billed RM36,119,722 (2016: RM17,094,156) and RM22,572,089 (2016: RM13,098,100) respectively out of the unbilled amount due from customers on work performed.

Subsequent to the financial year end and up to the date of this report, trade receivables of the Group and the Company has recovered RM77,599,685 (2016: RM22,977,348) and RM41,827,017 (2016: RM2,837,700) respectively.

<u>Ageing analysis of trade receivables</u>

The ageing analysis of the Group's and Company's trade receivables (excluding unbilled amounts due from customers on work performed) are as follows:

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Neither past due nor impaired	**75,030,871**	29,095,989	**35,538,396**	12,533,973
1 to 30 days past due not impaired	**3,911,146**	665,758	**-**	20,447
31 to 60 days past due not impaired	**153,817**	883,165	**-**	-
More than 60 days past due not impaired	**15,158,068**	12,687,365	**8,238,075**	8,182,880
	19,223,031	14,236,288	**8,238,075**	8,203,327
	94,253,902	43,332,277	**43,776,471**	20,737,300

9. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade receivables (Cont'd)

Ageing analysis of trade receivables (Cont'd)

(i) Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are retention sums and receivables from creditworthy customers with good payment records with the Group.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year (2016: Nil).

(ii) Receivables that are past due but not impaired

The Group and the Company have trade receivables amounting to RM19,223,031 (2016: RM14,236,288) and RM8,238,075 (2016: RM8,203,327), respectively that are past due at the reporting date but not impaired. The Group's trade receivables arise from customers with more than four (2016: four) years of experience with the Group and with good track records. The receivables that are past due but not impaired are unsecured in nature. Having considered all pertinent information at the reporting date, the directors are of the opinion that no allowance for doubtful debts is required for these balances.

(b) Amounts due from subsidiaries

Amounts due from subsidiaries are unsecured, non-interest bearing and repayable on demand.

(c) Grant receivables

Included in sundry receivables is an amount of RM4,493,075 (2016: RM4,493,075) which represents the government grant receivable by the Group in relation to the construction of facilities for the WTE System project at Ladang Tanah Merah. In prior year, the grant income receivable of RM4,493,075 had been offset against its costs.

10. OTHER CURRENT ASSETS

	Group		Company	
	2017	**2016**	**2017**	**2016**
	RM	**RM**	**RM**	**RM**
Prepaid operating expenses	**496,556**	1,056,732	**244,204**	454,735
Goods and services tax ("GST") recoverable	**2,148,222**	926,509	**2,075,229**	895,540
	2,644,778	1,983,241	**2,319,433**	1,350,275

GST recoverable pertains to net amount of GST recoverable from the Royal Malaysian Customs Department.

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11. CASH AND BANK BALANCES

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Short term deposits with licensed banks	**84,412,187**	67,152,710	**26,816,999**	21,410,122
Cash at banks and on hand	**24,099,552**	46,211,468	**7,552,231**	13,783,266
Cash and bank balances (Note 9)	**108,511,739**	113,364,178	**34,369,230**	35,193,388

Deposits with licensed banks of the Group and of the Company amounting to RM64,010,987 (2016: RM49,162,221) and RM10,351,335 (2016: RM9,194,660) respectively are pledged to licensed banks for credit facilities granted to the Group and the Company.

The interest rates of deposits with licensed banks for the Group and the Company are ranging from 1.95% to 3.65% (2016: 1.95% to 3.40%) per annum. The maturities of these deposits are ranging from 1 to 365 (2016: 1 to 365) days.

For the purposes of the statements of cash flows, cash and cash equivalents comprise the following at the reporting date.

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Cash at banks and on hand	**24,099,552**	46,211,468	**7,552,231**	13,783,266
Short term deposits with licensed banks with maturities less than 90 days	**79,369,112**	62,273,177	**26,816,999**	21,410,122
Cash and cash equivalents	**103,468,664**	108,484,645	**34,369,230**	35,193,388

12. SHARE CAPITAL AND SHARE PREMIUM

		← Amount →		
	Number of shares	Share capital	Share premium	Total share capital and share premium
		RM	RM	RM
Issued and paid-up ordinary shares:				
At 1 November 2015	248,671,272	124,335,636	138,784,112	263,119,748
Issuance of shares under DRS	4,267,200	2,133,600	5,376,672	7,510,272
At 31 October 2016	252,938,472	126,469,236	144,160,784	270,630,020
Issuance of shares:				
- DRS	4,800,200	10,464,436	-	10,464,436
- Exercise of ESOS	3,254,500	7,633,756	-	7,633,756
Transition to no-par value regime	-	144,160,784	(144,160,784)	-
At 31 October 2017	**260,993,172**	**288,728,212**	**-**	**288,728,212**

12. SHARE CAPITAL AND SHARE PREMIUM (CONT'D)

During the financial year, the Company increased its total number of issued and paid-up share capital from 252,938,472 ordinary shares to 260,993,172 ordinary shares by way of:

(a) Issuance of 4,800,200 new ordinary shares in the Company ("CRB Shares") at an issue price of RM2.18 per share pursuant to the DRS; and

(b) Issuance of 3,254,500 CRB Shares at an exercise price of RM2.12 per share pursuant to the exercise of options under the ESOS.

The new CRB Shares rank pari passu in all respects with the then existing ordinary shares of the Company.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

The new Companies Act 2016 ("CA 2016") came into force on 31 January 2017 and pursuant to CA 2016:

- The concept of authorised share capital is abolished.
- All shares issued before or upon the commencement of CA 2016 shall have no par or nominal value.
- Upon commencement of CA 2016, any amount standing to the credit of the Company's share premium account shall become part of the Company's share capital.
- However, the Company may, within 24 months upon the commencement of CA 2016, use the amount standing to the credit of its share premium account for specific purposes set out in the transitional provisions of CA 2016.

There is no impact on the number of shares in issue as a result of this transition.

With the CA 2016 coming into effect on 31 January 2017, the credit balance in the share premium account of RM144,160,784 has been reclassified to the ordinary share capital account. Such credit balances may be utilised for purposes set out pursuant to Section 618(3) of CA 2016, within twenty-four (24) months from the effective date of the CA 2016. The board will make a decision thereon by 31 January 2019.

The reclassification does not give rise to the change in the number of shares in issue or the relative entitlement of any of the Company's shareholders.

<u>Dividend Reinvestment Scheme ("DRS")</u>

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.

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For the Year Ended 31 October 2017

12. SHARE CAPITAL AND SHARE PREMIUM (CONT'D)

Dividend Reinvestment Scheme ("DRS") (Cont'd)

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.

13. REVERSE ACQUISITION RESERVE

In accordance with the principles of reverse acquisition in MFRS 3: Business Combination, 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.

14. 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.

14. EMPLOYEE SHARE OPTION RESERVE (CONT'D)

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 CRB 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 CRB 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 CRB 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 CRB Share under the ESOS shall be determined based on the five (5)-day VWAP of the CRB 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 CRB Share of RM0.50 each;

(vi) All new CRB Shares issued upon exercise of the options granted under the ESOS will rank pari passu in all respects with the existing CRB 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.

The movements during the financial year in the number of ESOS of the Company are as follows:

		Number of option					
	Exercise price	**At 1.11.2016**	**Granted**	**Exercised**	**Forfeited**	**At 31.10.2017**	**Expiry date**
ESOS	RM2.12	-	23,100,000	(3,254,500)	-	19,845,500	18 October 2020

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For the Year Ended 31 October 2017

14. EMPLOYEE SHARE OPTION RESERVE (CONT'D)

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. 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:

Weighted average share price (RM)	2.40
Weighted average exercise price (RM)	2.12
Expected volatility (%)	24.82
Expected life (years)	3.48
Risk-free interest rate (%)	3.73
Dividend yield (%)	2.47

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.

15. LOANS AND BORROWINGS

		Group		**Company**	
		2017	**2016**	**2017**	**2016**
	Maturity	**RM**	**RM**	**RM**	**RM**
Non-current					
Secured:					
Finance leases (Note 25(c))	2019 - 2023	**1,816,563**	1,338,196	**-**	-
Term loans	2019 - 2026	**445,761,471**	322,771,784	**-**	-
		447,578,034	324,109,980	**-**	-
Current					
Secured:					
Finance leases (Note 25(c))	2018	**511,009**	439,228	**-**	-
Trust receipts	2018	**47,623,195**	53,163,480	**14,987,359**	27,692,076
Revolving credits	2018	**48,000,000**	48,000,000	**2,000,000**	2,000,000
Term loans	2018	**23,958,320**	17,358,320	**-**	-
		120,092,524	118,961,028	**16,987,359**	29,692,076
Total loans and borrowings (Note 16)		**567,670,558**	443,071,008	**16,987,359**	29,692,076

15. LOANS AND BORROWINGS (CONT'D)

The remaining maturities of the loans and borrowings at the reporting date are as follows:

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
On demand or within 1 year	**120,092,524**	118,961,028	**16,987,359**	29,692,076
More than 1 year and less than 2 years	**47,265,879**	24,312,969	**-**	-
More than 2 years and less than 5 years	**163,398,378**	114,208,324	**-**	-
5 years or more	**236,913,777**	185,588,687	**-**	-
	567,670,558	443,071,008	**16,987,359**	29,692,076

The breakdown of Islamic & Conventional loans and borrowings are as follows:

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Non-current				
Islamic	**365,632,706**	229,758,728	**-**	-
Conventional	**81,945,328**	94,351,252	**-**	-
	447,578,034	324,109,980	**-**	-
Current				
Islamic	**94,535,703**	98,460,480	**16,987,359**	29,692,076
Conventional	**25,556,821**	20,500,548	**-**	-
	120,092,524	118,961,028	**16,987,359**	29,692,076
Total	**567,670,558**	443,071,008	**16,987,359**	29,692,076

Obligation under finance leases

These obligations are secured by a charge over the leased assets (Note 4). The flat discount rate implicit in these leases ranged between 2.31% and 3.40% (2016: 2.31% and 3.40%) per annum.

Bank overdrafts

Bank overdrafts bear interests ranging from base lending rate ("BLR") + 1% to BLR + 1.75% (2016: BLR + 1% to BLR + 1.75%) per annum.

Trust receipts

Trust receipts bear interests ranging from BLR + 0.5% to BLR + 1.25% and cost of funds ("COF") + 1% to COF + 1.25% (2016: BLR + 0.5% to BLR + 1.25% and COF + 1% to COF + 1.25%) per annum.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 October 2017

15. LOANS AND BORROWINGS (CONT'D)

Revolving credits

Revolving credits bear interest ranging from COF + 1.75% to COF + 2.5% (2016: COF + 1.75% to COF + 2.5%) and BLR + 0.75% (2016: BLR + 0.75%) per annum.

Term loans

Term loans bear interests ranging from COF + 1.75% to COF + 2.25% and at BLR (2016: COF + 2% to COF + 2.25% and at BLR) per annum.

The above facilities (except for obligation under finance lease and term loans) are secured by way of existing deposits pledged to the financial institutions and corporate guarantee issued by the Company.

The term loans, where applicable, are secured by the following:

(a) a debenture over the fixed and floating charges over present and future assets of the projects funded;

(b) an assignment over all revenue proceeds from the projects funded;

(c) an assignment of all insurance policies relating to the projects funded;

(d) a charge over the designated bank accounts of the project funded; and

(e) a corporate guarantee issued by the Company.

16. TRADE AND OTHER PAYABLES

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Non-current				
Trade payables				
Third parties (Note 16(a))	**-**	17,523,649	**-**	-
Retention sums	**8,511,152**	10,631,454	**-**	-
	8,511,152	28,155,103	**-**	-
Current				
Trade payables				
Third parties (Note 16(a))	**208,894,397**	164,438,187	**17,986,624**	8,693,719
Retention sums	**3,407,590**	1,995,976	**352,328**	368,936
Amounts due to subsidiaries (Note 16(b))	**-**	-	**39,611,228**	17,015,351
	212,301,987	166,434,163	**57,950,180**	26,078,006
Other payables				
Amounts due to subsidiaries (Note 16(b))	**-**	-	**144,493,144**	108,755,704
Sundry payables	**4,943,567**	825,605	**4,343,763**	379,855
Accruals	**11,022,681**	10,637,225	**6,903,847**	6,996,420
	15,966,248	11,462,830	**155,740,754**	116,613,979
	228,268,235	177,896,993	**213,690,934**	142,209,985
Total trade and other payables	**236,779,387**	206,052,096	**213,690,934**	142,209,985
Total trade and other payables	**236,779,387**	206,052,096	**213,690,934**	142,209,985
Add: Loans and borrowings (Note 15)	**567,670,558**	443,071,008	**16,987,359**	29,692,076
Total financial liabilities carried at amortised cost	**804,449,945**	649,123,104	**230,678,293**	171,902,061

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 October 2017

16. TRADE AND OTHER PAYABLES (CONT'D)

(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 (2016: 30 to 90) days although it is customary for the credit terms to be extended beyond 90 days based on case-by-case basis.

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 ranged from 12 to 36 (2016: 12 to 36) months.

Included in trade payables of the Group is an amount due to a related party, CyEn Resources Sdn. Bhd. of RM4,736,557 (2016: RM4,701,495).

Included in the Group's trade payables is an amount of approximately RM83,000,000 (2016: RM89,600,000) which will be satisfied through the disbursement of the long term bank loans secured from the local financial institutions in the next financial year.

(b) Amounts due to subsidiaries

These amounts are unsecured, non-interest bearing and repayable on demand.

17. REVENUE

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Environmental engineering	**222,320,230**	195,480,614	**61,644,894**	19,892,018
Landscaping and infrastructure	**26,449,461**	39,086,586	**14,000,000**	16,000,000
Maintenance works	**4,201,476**	1,817,670	**4,201,476**	1,817,670
Green tech and renewable energy	**48,713,260**	46,544,314	**-**	-
Management fee	**-**	-	**16,150,000**	14,050,000
Dividend income	**-**	-	**8,000,000**	10,000,000
	301,684,427	282,929,184	**103,996,370**	61,759,688

Included in the revenue of environmental engineering segment is an amount of RM143,598,335 (2016: RM156,415,061) which represents revenue from construction services contracts.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 October 2017

18. COST OF SALES

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Environmental engineering	**165,298,634**	150,944,180	**58,641,313**	9,489,362
Landscaping and infrastructure	**20,604,080**	32,995,847	**13,341,360**	15,209,260
Maintenance works	**2,771,127**	1,410,000	**3,547,709**	1,410,000
Green tech and renewable energy	**25,234,547**	25,007,739	**-**	-
	213,908,388	210,357,766	**75,530,382**	26,108,622

Cost of sales comprised of sub-contractors' costs, material costs, labour costs and site expenses.

19. FINANCE COSTS

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Interest expense on:				
- bank overdrafts	**13,403**	62,721	**-**	-
- finance leases	**97,301**	95,127	**-**	-
- term loans	**9,007,312**	9,794,960	**-**	-
- revolving credits	**514,501**	792,941	**-**	-
- letter of credits	**18,106**	30,647	**-**	-
- trust receipts	**653,550**	603,964	**-**	-
- bank facility fees	**-**	10,000	**-**	-
- bank guarantee commissions	**295,602**	344,119	**290,401**	308,660
Unwinding of discount	**1,195,242**	74,979	**-**	-
	11,795,017	11,809,458	**290,401**	308,660

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 October 2017

20. PROFIT BEFORE TAX

The following items have been included in arriving at profit before tax:

	Group		Company	
	2017	**2016**	**2017**	**2016**
	RM	**RM**	**RM**	**RM**
Auditors' remuneration:				
- statutory audit	**237,800**	220,500	**65,000**	61,000
- non-statutory audit	**5,000**	5,000	**5,000**	5,000
Depreciation of plant and equipment	**13,537,447**	13,510,535	**124,869**	155,880
Employee benefits expense:				
- salaries and bonuses				
- current	**12,519,019**	14,223,098	**1,055,910**	4,641,431
- overprovision in prior year	**(4,462,006)**	(2,925,765)	**(2,785,056)**	(1,383,485)
- defined contribution plan				
- current	**1,481,838**	1,684,496	**137,048**	563,834
- overprovision in prior year	**(604,783)**	(351,091)	**(379,780)**	(166,018)
- social security contributions	**65,704**	62,701	**10,369**	9,367
- other benefits	**750,148**	768,592	**416,050**	401,520
ESOS expense	**5,211,361**	-	**5,211,361**	-
Finance income – other liabilities at amortised costs	**-**	(435,804)	**-**	(7,678)
Foreign exchange loss/(gain):				
- realised	**235,404**	1,825,695	**-**	-
- unrealised	**(1,291,398)**	(2,425,650)	**-**	-
Gain on disposal of plant and equipment	**(88,000)**	-	**-**	-
Interest income	**(2,608,579)**	(2,985,971)	**(1,035,409)**	(1,413,568)
Non-executive directors' remuneration (Note 21)	**729,360**	468,000	**729,360**	468,000
Minimum operating lease payments on:				
- premises	**6,333,164**	6,639,269	**86,688**	112,459
- site equipment	**42,819**	87,633	**-**	-
- motor vehicles	**496,823**	624,705	**109,000**	186,450
- office equipment	**49,430**	47,601	**8,484**	9,701
- land	**492,983**	510,889	**-**	-

21. DIRECTORS' REMUNERATIONS

The details of remunerations receivable by directors of the Company are as follows:

	Group and Company	
	2017	2016
	RM	RM
Executive:		
Salaries and other allowances	**5,082,869**	2,694,000
Defined contribution plan	**609,945**	315,360
Social security contribution	**1,421**	887
ESOS expense	**2,707,200**	-
Total executive directors' remuneration	**8,401,435**	3,010,247
Non-executive:		
Directors' fees	**594,000**	468,000
ESOS expense	**135,360**	-
Total non-executive directors' remuneration	**729,360**	468,000
Total directors' remuneration (Note 24(b))	**9,130,795**	3,478,247

22. TAX EXPENSE

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Malaysian tax:				
- current	**11,715,310**	7,953,884	**3,700,000**	3,900,000
- overprovision in prior year	**(65,484)**	(206,404)	**(16,310)**	(163,090)
	11,649,826	7,747,480	**3,683,690**	3,736,910
Deferred tax: (Note 8)				
- origination/(reversal) of temporary differences	**337,329**	613,955	**(16,000)**	(17,000)
- underprovision in prior year	**-**	5,000	**-**	-
	337,329	618,955	**(16,000)**	(17,000)
	11,987,155	8,366,435	**3,667,690**	3,719,910

The Malaysian corporate tax rate will be reduced to a range of 20% to 24% from the current year's tax rate of 24% for years of assessment 2017 and 2018. The reduction in income tax rate is based on the percentage of increase in chargeable income as compared to immediate preceding year of assessment.

NOTES TO THE FINANCIAL STATEMENTS

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22. TAX EXPENSE (CONT'D)

The provision for taxation differs from the amount of taxation determined by applying the applicable statutory tax rate to the profit before tax as a result of the following differences:

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Profit before tax (excluding share of results of associate)	**69,630,440**	60,079,665	**17,637,518**	25,816,284
Taxation at applicable tax rate of 24% (2016:24%)	**16,711,306**	14,419,120	**4,233,004**	6,195,908
Non-deductible expenses	**2,635,632**	1,129,312	**1,511,692**	255,146
Non-taxable income	**(5,294,788)**	(4,998,174)	**(2,060,696)**	(2,568,054)
Effect from deductibility of borrowing costs capitalised in intangible assets	**(4,623,128)**	(2,804,337)	**-**	-
Effect arising from utilisation of investment tax allowances	**-**	(255,701)	**-**	-
Origination of deferred tax assets not recognised	**2,623,617**	1,077,619	**-**	-
Overprovision of income tax in prior year	**(65,484)**	(201,404)	**(16,310)**	(163,090)
	11,987,155	8,366,435	**3,667,690**	3,719,910

23. EARNINGS PER SHARE

Basic earnings per share

The basic earnings per share is calculated by dividing the Group's profit for the year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year. The weighted average number of ordinary shares in issue is calculated as follows:

	Group	
	2017	2016
Profit for the year attributable to owners of the Company (RM)	**57,604,032**	51,713,230
Number of ordinary shares at beginning of the year	**252,938,472**	248,671,272
Effect of shares issued pursuant to:		
- DRS	**1,722,812**	1,620,603
- exercise of ESOS	**1,350,949**	-
Weighted average number of ordinary shares	**256,012,233**	250,291,875
Basic earnings per share (sen)	**22.50**	20.66

23. EARNINGS PER SHARE (CONT'D)

Diluted earnings per share (Cont'd)

The diluted earnings per share has been calculated by dividing the Group's profit for the year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares that would have been in issue upon full exercise of the options under ESOS, adjusted for the number of such shares that would have been issued at fair value at the date of the issue of ESOS, calculated as follows:

	Group	
	2017	**2016**
Profit for the year attributable to owners of the Company (RM)	**57,604,032**	51,713,230
Weighted average number of ordinary shares for basic earnings per share	**256,012,233**	250,291,875
Assumed shares issued from the exercise of ESOS	**1,987,182**	-
Adjusted weighted average number of ordinary shares	**257,999,415**	250,291,875
Diluted earnings per share (sen)	**22.33**	20.66

24. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties during the financial year:

	2017	**2016**
	RM	**RM**
Group		
Accounting fees charged to a related party*	**(30,000)**	(30,000)
Amount charged to a related party for work performed on renewable energy projects*	**(500,000)**	-
Amount charged by a related party for work performed on the maintenance works projects*	**753,676**	-
Amount charged by a related party for work performed on the landscaping and infrastructure projects*	**-**	1,202,128
Amount charged by a related party for work performed on the environmental engineering projects*	**9,589,145**	8,316,520

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 October 2017

24. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

(a) In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties during the financial year: (Cont'd)

	2017 RM	2016 RM
Company		
Dividend received from subsidiaries	**(8,000,000)**	(10,000,000)
Management fees charged to subsidiaries	**(16,150,000)**	(14,050,000)
Staff costs reimbursed from a subsidiary	**(5,577,152)**	(4,843,260)
Amounts charged by a subsidiary for work performed on development cost	**2,400,000**	2,400,000
Amounts charged by a subsidiary for work performed on landscaping and infrastructure projects	**10,490,152**	15,209,260
Amounts charged by subsidiaries for work performed on environmental engineering projects	**49,116,173**	5,414,820
Amounts charged by a subsidiary for work performed on maintenance projects	**1,004,902**	-
Staff costs reimbursed by subsidiaries	**2,501,960**	3,156,195

Outstanding balances in respect of the above transactions are disclosed in Notes 9 and 16 to the financial statements.

* *Related party refers to a company in which certain directors have financial interests, namely CyEn Resources Sdn. Bhd.*

(b) Compensation of key management personnel

The key management personnel include directors of the Group and certain members of senior management of the Group.

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Short term employee benefits	**8,116,292**	4,343,721	**6,678,950**	3,613,103
Defined contribution plan	**902,677**	452,482	**730,195**	365,920
Other benefits	**3,907**	1,852	**3,079**	1,163
ESOS expense	**4,451,088**	-	**2,995,968**	-
	13,473,964	4,798,055	**10,408,192**	3,980,186

24. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

(b) Compensation of key management personnel (Cont'd)

Included in the key management personnel are:

	Group and Company	
	2017	**2016**
	RM	**RM**
Directors' remuneration (Note 21)	**9,130,795**	3,478,247

(c) The Company has granted corporate guarantees amounting to RM755,220,000 (2016: RM611,720,000) to financial institutions for securing banking facilities of the subsidiaries.

25. COMMITMENTS

(a) Capital commitments

Capital expenditure as at the reporting date is as follows:

	Group	
	2017	**2016**
	RM	**RM**
Approved and contracted for:		
Intangible assets recognised pursuant to IC12 (Note 5(a))	**31,473,132**	133,401,397

(b) Operating lease commitments - as lessee

The Group entered into commercial leases on certain motor vehicles, premises, land, site and office equipment. Future minimum rentals payable under non-cancellable operating leases at the reporting date are as follows:

	Group		Company	
	2017	**2016**	**2017**	**2016**
	RM	**RM**	**RM**	**RM**
Not later than 1 year	**676,616**	640,696	**1,632**	9,744
Later than 1 year but not later than 5 years	**1,749,278**	1,472,459	**1,170**	2,730
Later than 5 years	**3,446,604**	3,536,476	**-**	-
	5,872,498	5,649,631	**2,802**	12,474

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 October 2017

25. COMMITMENTS (CONT'D)

(c) Finance lease commitments

The Group has finance leases for certain motor vehicles (Note 4).

Future minimum lease payments under finance leases together with the present value of the minimum lease payments are as follows:

	Group	
	2017	**2016**
	RM	**RM**
Minimum lease payments:		
Not later than 1 year	**608,496**	524,776
Later than 1 year but not later than 2 years	**564,354**	417,800
Later than 2 years but not later than 5 years	**1,244,641**	892,147
Later than 5 years	**214,461**	186,534
Total minimum lease payments	**2,631,952**	2,021,257
Less: Amounts representing finance charges	**(304,380)**	(243,833)
Present value of minimum lease payments	**2,327,572**	1,777,424
Present value of payments:		
Not later than 1 year	**511,009**	439,228
Later than 1 year but not later than 2 years	**487,559**	354,649
Later than 2 years but not later than 5 years	**1,123,418**	803,365
Later than 5 years	**205,586**	180,182
Present value of minimum lease payments	**2,327,572**	1,777,424
Less: Amount due within 12 months (Note 15)	**(511,009)**	(439,228)
Amount due after 12 months (Note 15)	**1,816,563**	1,338,196

26. FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade and other receivables	9
Cash and bank balances	11
Loans and borrowings	15
Trade and other payables	16

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to their short-term instruments.

The loans and borrowings other than finance leases of the Group are reasonable approximations of their fair values because they are floating rate instruments which are re-priced to market interest rates.

The carrying amounts of finance leases are reasonable approximations of fair values due to the insignificant impact of discounting.

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, cash flow and liquidity risks, interest rate risk and foreign currency risk.

The Board reviews and agrees with the policies and procedures established for these risks, which are executed by the Chief Financial Officer. The audit committee provides independent oversight to the effectiveness of the risk management process.

It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group and the Company did not apply hedge accounting during the financial year (2016: Nil).

The following sections provide details regarding the Group's and the Company's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Credit risk (Cont'd)

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy 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 with the result that the Group's exposure to bad debts is not significant.

Exposure to credit risk

At 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.

- Nominal amounts of RM755,220,000 (2016: RM611,720,000) relating to corporate guarantees provided by the Company to financial institutions on its subsidiaries' loans and borrowings.

  As at the reporting date, there was no indication that the subsidiaries would default on repayment.

Credit risk concentration profile

At the reporting date, the Group has a significant concentration of credit risk in the form of outstanding balances from five customers (2016: five customers) representing approximately 86% (2016: 78%) of the total trade receivables. The amounts due from customers on work performed mainly relate to unbilled portion of work performed on the closure and restorations of landfills, landscape development and maintenance as well as sale of renewable energy.

Financial assets that are neither past due nor impaired

Information regarding financial assets that are neither past due nor impaired is disclosed in Note 9. Deposits with banks that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Information regarding financial assets that are either past due or impaired is disclosed in Note 9.

(b) Cash flow and liquidity risks

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Cash flow and liquidity risks (Cont'd)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	2017				
	On demand or within one year RM	**One to two years RM**	**Two to five years RM**	**Over five years RM**	**Total RM**
Group					
Trade and other payables	**228,268,235**	**6,548,380**	**2,737,510**	**-**	**237,554,125**
Loans and borrowings	**149,269,811**	**72,880,250**	**220,928,502**	**263,612,450**	**706,691,013**
Total undiscounted financial liabilities	**377,538,046**	**79,428,630**	**223,666,012**	**263,612,450**	**944,245,138**
Company					
Trade and other payables	**213,690,934**	**-**	**-**	**-**	**213,690,934**
Loans and borrowings	**17,358,363**	**-**	**-**	**-**	**17,358,363**
Total undiscounted financial liabilities	**231,049,297**	**-**	**-**	**-**	**231,049,297**
Financial guarantees contracts*	**599,452,000**	**-**	**-**	**-**	**599,452,000**

	2016				
Group					
Trade and other payables	177,896,993	28,060,669	2,284,133	-	208,241,795
Loans and borrowings	130,320,024	37,580,681	159,240,435	212,123,072	539,264,212
Total undiscounted financial liabilities	308,217,017	65,641,350	161,524,568	212,123,072	747,506,007
Company					
Trade and other payables	142,209,985	-	-	-	142,209,985
Loans and borrowings	30,368,145	-	-	-	30,368,145
Total undiscounted financial liabilities	172,578,130	-	-	-	172,578,130
Financial guarantees contracts*	428,236,538	-	-	-	428,236,538

* *The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The maximum exposure to the Company amounts to RM599,452,000 (2016: RM428,236,538) representing banking facilities utilised by the subsidiaries at the reporting date. At the reporting date, the counterparties to the bank guarantees do not have a right to demand cash as the default has not occurred.*

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 October 2017

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings. The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.

Sensitivity analysis for interest rate risk

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 profit net of tax would decrease or increase by RM559,000 (2016: RM536,000), arising mainly as a result of an increase or decrease in the fair value of floating rate term loans.

(d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional exposures arising from purchases that are denominated in a currency other than the functional currency of the Group. The foreign currency in which these transactions are denominated is mainly United States Dollar (''USD''). Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

The net unhedged financial liabilities of the Group that are not denominated in its functional currency are as follows:

Group	**Financial liabilities held in USD**
At 31 October 2017	
RM	**90,802**
At 31 October 2016	
RM	5,695,911

Sensitivity analysis of foreign currency risk

A sensitivity analysis has been performed based on the outstanding foreign currency denominated monetary items as at year end. If the currencies were strengthen or weaken by 2% against RM with all other variables held constant, the Group profit net of tax would decrease or increase by RM1,380 (2016: RM86,578).

28. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximises shareholders' value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year.

The Group monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio below 50%.

	Group		**Company**	
	2017	**2016**	**2017**	**2016**
	RM	**RM**	**RM**	**RM**
Loans and borrowings (Note 15)	**567,670,558**	443,071,008	**16,987,359**	29,692,076
Less: Cash and bank balances (Note 11)	**(108,511,739)**	(113,364,178)	**(34,369,230)**	(35,193,388)
Net debt/(cash)	**459,158,819**	329,706,830	**(17,381,871)**	(5,501,312)
Equity attributable to the owners of the Company, representing total capital	**507,234,709**	440,320,772	**320,238,480**	296,958,747
Capital and net debts	**966,393,528**	770,027,602	**302,856,609**	291,457,435
Gearing ratio	**47.5%**	42.8%	**N/A**	N/A

29. ACQUISITION OF SUBSIDIARIES

During the financial year, the Company acquired the following subsidiaries:

(i) On 2 November 2016, the Company acquired two (2) ordinary shares in Cypark Green Tech Sdn. Bhd. ("CGT"), representing the entire issued and paid-up share capital of CGT for a total cash consideration of RM2. CGT, a wholly owned subsidiary of the Company, acquired two (2) ordinary shares in Reviva Sdn. Bhd. ("RSB"), representing the entire issued and paid-up capital of RSB for a total cash consideration of RM2. RSB owns 34% of equity interest in BAC Biomass (Kg Gajah) Sdn. Bhd, which is the associate of the Group.

(ii) On 2 March 2017, the Company acquired ten (10) ordinary shares in Cypark FMS Sdn. Bhd. ("CFMS"), representing the entire issued and paid-up capital of CFMS for a total cash consideration of RM10.

(iii) On 23 March 2017, CFMS, a wholly-owned subsidiary of the Company acquired seven hundred (700) ordinary shares in Aomori Kogaku Sdn. Bhd. ("AKSB"), representing 70% of the issued and paid-up capital of AKSB for a total cash consideration of RM700.

(iv) On 20 June 2017, CGT, a wholly-owned subsidiary of the Company, acquired one thousand (1,000) ordinary shares in Cypark Re Store Sdn. Bhd. ("CRSB") (*formerly known as Cypark Restore Sdn. Bhd.*), representing the entire issued and paid-up capital of CRSB for a total cash consideration of RM1,000.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 October 2017

29. ACQUISITION OF SUBSIDIARIES (CONT'D)

The effects of the acquisition of subsidiaries during the financial year were as follows:

	2017 RM
Cash considerations	1,714
Non-controlling interest	300
Add: Fair value of net liabilities assumed	5,190
Goodwill on acquisition	7,204
Cash and cash equivalents acquired	2,014
Consideration settled in cash	(1,714)
Net cash inflow arising from the acquisition	300

30. SEGMENT ANALYSIS

Reporting format

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the services provided. The operating businesses are organised and managed separately according to the nature of the services provided, with each segment representing a strategic business unit that provides different services and serves different markets.

Business segments

For management purposes, the Group is organised into business units and has the following reportable business segments:

(i) Environmental engineering — Provision of nature conservation and environmental amelioration for customers and offer environmental engineering and integrated turnkey contract services, management services, planning and design services; and

(ii) Landscaping and infrastructure — Provision of landscape services, project management services and infrastructure developments; and

(iii) Maintenance — Provision of specialist maintenance works on leachate treatment plants and maintenance of landscape services for public parks, public amenities and other landscape developments; and

(iv) Green tech & renewable energy — Engage in renewable energy businesses.

30. SEGMENT ANALYSIS (CONT'D)

The directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

Geographical segments

No segmental information is provided on a geographical basis as the Group's activities are conducted predominantly in Malaysia.

Allocation basis and transfer pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Information about major customer

The following details relate to major customer with revenue equal or more than 10% of the Group's total revenue:

	Number of customer	Revenue RM	Percentage of total revenue %
2017			
Environmental engineering	**1**	**36,187,566**	**12**
Green tech & renewable energy	**1**	**32,876,700**	**11**
2016			
Green tech & renewable energy	1	37,203,642	13

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 October 2017

30. SEGMENT ANALYSIS (CONT'D)

The following table provides an analysis of the Group's revenue, results, assets and liabilities by business segments:

2017	Environmental engineering RM	Landscaping & infrastructure RM	Maintenance works RM	Green tech & renewable energy RM	Total RM
Revenue					
Total revenue	376,087,533	39,739,613	7,307,804	50,005,260	473,140,210
Inter-segment revenue	(153,767,303)	(13,290,152)	(3,106,328)	(1,292,000)	(171,455,783)
Revenue from external customers	222,320,230	26,449,461	4,201,476	48,713,260	301,684,427
Results					
Adjusted earnings before interest, taxes, depreciation and amortisation ("EBITDA")	54,988,987	5,071,814	1,430,349	36,074,536	97,565,686
ESOS expenses	(5,211,361)	-	-	-	(5,211,361)
EBITDA	49,777,626	5,071,814	1,430,349	36,074,536	92,354,325
Depreciation	(714,359)	-	-	(12,823,088)	(13,537,447)
Interest income	1,794,230	653,890	-	160,459	2,608,579
Finance costs	(1,729,073)	(1,058,632)	-	(9,007,312)	(11,795,017)
Share of results of an associate	-	-	-	(40,626)	(40,626)
Profit before tax	49,128,424	4,667,072	1,430,349	14,363,969	69,589,814
Income tax expense					(11,987,155)
Profit net of tax					57,602,659
Segment assets	958,385,218	80,983,135	2,334,918	275,002,060	1,316,705,331
Included in the measure of segment assets is:					
Additions to non-current assets other than financial instruments and deferred tax assets					
- Plant and equipment	1,313,042	-	-	638,885	1,951,927
- Intangible assets	166,027,331	-	-	7,204	166,034,535
	167,340,373	-	-	646,089	167,986,462
Segment liabilities	626,258,480	34,708,203	2,132,168	146,372,844	809,471,695

30. SEGMENT ANALYSIS (CONT'D)

The following table provides an analysis of the Group's revenue, results, assets and liabilities by business segments: (Cont'd)

2016	Environmental engineering RM	Landscaping & infrastructure RM	Maintenance works RM	Green tech & renewable energy RM	Total RM
Revenue					
Total revenue	311,572,953	60,328,346	1,817,670	49,006,814	422,725,783
Inter-segment revenue	(116,092,339)	(21,241,760)	-	(2,462,500)	(139,796,599)
Revenue from external customers	195,480,614	39,086,586	1,817,670	46,544,314	282,929,184
Results					
Earnings before interest, taxes, depreciation and amortisation ("EBITDA")	42,058,003	5,721,076	407,670	34,226,938	82,413,687
Depreciation	(664,656)	-	-	(12,845,879)	(13,510,535)
Interest income	2,192,244	687,720	-	106,007	2,985,971
Interest expense	(1,708,133)	(289,352)	-	(9,811,973)	(11,809,458)
Profit before tax	41,877,458	6,119,444	407,670	11,675,093	60,079,665
Income tax expense					(8,366,435)
Profit net of tax					51,713,230
Segment assets	733,581,478	71,769,762	1,817,670	285,918,974	1,093,087,884
Included in the measure of segment assets is:					
Additions to non-current assets other than financial instruments and deferred tax assets					
- Plant and equipment	650,045	-	-	1,590,256	2,240,301
- Intangible assets	171,348,417	-	-	-	171,348,417
	171,998,462	-	-	1,590,256	173,588,718
Segment liabilities	439,045,171	48,947,477	-	164,774,464	652,767,112

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 October 2017

31. DIVIDENDS

	Company	
	2017	**2016**
	RM	**RM**
In respect of financial year ended 31 October 2016:		
- a single-tier final dividend of 5.2 sen per share	**13,265,432**	-
In respect of financial year ended 31 October 2015:		
- a single-tier final dividend of 5 sen per share	**-**	12,433,564
	13,265,432	12,433,564

As at the date of this report, the directors did not proposed any dividend payment in respect of the current financial year.

32. SUBSEQUENT EVENT

On 21 December 2017, Cypark Renewable Energy Sdn. Bhd., a wholly-owned subsidiary of the Company, had incorporated a new wholly owned subsidiary, namely, Cypark Lakeview Solar Sdn. Bhd. (“CLS”) with an issued share capital of RM100 comprising hundred (100) ordinary shares. The principal activity of CLS is to engage in the development of the renewable energy and solar projects.

33. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on 18 January 2018 by the Board of directors.

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 financial statements set out on pages 64 to 134 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 October 2017 and financial performance and cash flows of the Group and of the Company for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board of directors in accordance with a directors' resolution.

TAN SRI RAZALI BIN ISMAIL	**DATO' DAUD BIN AHMAD**
Director	Director

Kuala Lumpur
Date: 18 January 2018

STATUTORY DECLARATION

(Pursuant to Section 251(1) of the Companies Act 2016)

I, Dato' Daud bin Ahmad (I/C No: 660126-01-5165), 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 financial statements set out on pages 64 to 134 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.

Subscribed and solemnly	)	
declared by the above named	)	
Dato' Daud bin Ahmad	)	
	)	
at Kuala Lumpur	)	
in the Federal Territory	)	
	)	
this 18 January 2018	)	**DATO' DAUD BIN AHMAD**

Before me:

ANALYSIS OF SHAREHOLDINGS

STATISTICS OF SHAREHOLDINGS AS AT 24 JANUARY 2018

Class of equity security	:	Ordinary shares
Voting rights	:	One vote per ordinary share
Total number of issued shares	:	261,209,172

ANALYSIS OF SHAREHOLDINGS

Ordinary shares

Size of Shareholdings	No. of Shareholders	%	No. of Shares Held	%
1 – 99	25	1.01	300	0.00
100 – 1,000	466	18.90	322,945	0.12
1,001 – 10,000	1,256	50.93	5,658,007	2.17
10,001 – 100,000	574	23.28	15,801,408	6.05
100,001 – 13,060,457 (*)	143	5.80	204,949,976	78.46
13,060,458 and above (**)	2	0.08	34,476,536	13.20
TOTAL	**2,466**	**100.00**	**26,209,172**	**100.00**

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 24 January 2018 are as follows:

Ordinary Shares

	Direct Interest		Indirect Interest	
Substantial shareholders' name	Number of Shares	%	Number of Shares	%
Tan Sri Razali bin Ismail	46,507,900	17.80	-	-
Dato' Daud bin Ahmad	41,480,956	15.88	-	-
Employees Provident Fund Board	26,484,700	10.14	-	-
Tan Sri Dr Azmil Khalili bin Khalid	16,498,356	6.32	-	-

ANALYSIS OF SHAREHOLDINGS

DIRECTORS' INTERESTS

The Directors' interests based on the Register of the Company as at 24 January 2018 are as follows:

Ordinary shares

	Direct Interest		Indirect Interest	
Directors	**Number of Shares**	**%**	**Number of Shares**	**%**
Tan Sri Razali bin Ismail	46,507,900	17.80	-	-
Dato' Daud bin Ahmad *(also the Group Chief Executive Officer)*	41,480,956	15.88	-	-
Dato' Dr. Freezailah bin Che Yeom	184,100	0.07	-	-
Datuk Abdul Malek bin Abdul Aziz	150,000	0.06	-	-
Headir bin Mahfidz	102,300	0.04	-	-
Megat Abdul Munir bin Megat Abdullah Rafaie	20,000	0.01	-	-

Employees' Share Options Scheme

Directors	**Number of Options**	**%**
Tan Sri Razali bin Ismail	3,000,000	1.15
Dato' Daud bin Ahmad *(also the Group Chief Executive Officer)*	9,000,000	3.45
Dato' Dr. Freezailah bin Che Yeom	150,000	0.06
Datuk Abdul Malek bin Abdul Aziz	-	-
Headir bin Mahfidz	150,000	0.06
Megat Abdul Munir bin Megat Abdullah Rafaie	150,000	0.06

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS

Ordinary shares

No.	Shareholders	No. of Shares	%
1.	Maybank Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Daud bin Ahmad*	18,243,856	6.98
2.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Razali bin Ismail (8095427)*	16,232,680	6.21
3.	Maybank Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Razali bin Ismail*	12,668,800	4.85
4.	Razali bin Ismail	9,134,220	3.50
5.	Citigroup Nominees (Tempatan) Sdn. Bhd. *Employees Provident Fund Board*	9,060,800	3.47
6.	CIMSEC Nominees (Tempatan) Sdn. Bhd. *CIMB Bank for Azmil Khalili bin Khalid (PBCL-0G0018)*	8,760,458	3.35

ANALYSIS OF SHAREHOLDINGS

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS (CONT'D)

No.	Shareholders	No. of Shares	%
7.	Amanahraya Trustees Berhad *Public Smallcap Fund*	8,363,600	3.20
8.	RHB Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Daud bin Ahmad*	7,247,000	2.77
9.	Amanahraya Trustees Berhad Public Strategic Smallcap Fund	6,622,700	2.54
10.	Citigroup Nominees (Asing) Sdn. Bhd. Exempt an for Citibank New York (Norges Bank 9)	6,592,386	2.52
11.	Citigroup Nominees (Tempatan) Sdn. Bhd. Employees Provident Fund Board (CIMB PRIN)	6,361,700	2.44
12.	TA Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Daud bin Ahmad*	5,721,500	2.19
13.	Maybank Securities Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Daud bin Ahmad (Margin)*	5,678,200	2.17
14.	Public Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Razali bin Ismail (KLC)*	5,119,200	1.96
15.	Malaysia Nominees (Tempatan) Sendirian Berhad *Great Eastern Life Assurance (Malaysia) Berhad (LPF)*	4,000,000	1.53
16.	Citigroup Nominees (Tempatan) Sdn. Bhd. *Employees Provident Fund Board (F Templeton)*	3,731,700	1.43
17.	CIMSEC Nominees (Tempatan) Sdn. Bhd. *CIMB Bank for Azmil Khalili bin Khalid (MH7367)*	3,665,000	1.40
18.	Citigroup Nominees (Tempatan) Sdn. Bhd. *Employees Provident Fund Board (ARIM)*	3,600,000	1.38
19.	Citigroup Nominees (Asing) Sdn. Bhd. *Exempt an for Citibank New York (Norges Bank 14)*	3,513,414	1.35
20.	RHB Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Razali bin Ismail*	3,353,000	1.28
21.	RHB Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Tan Swee Loon*	3,250,700	1.24
22.	Citigroup Nominees (Tempatan) Sdn. Bhd. *Employees Provident Fund Board (AMUNDI)*	3,000,000	1.15
23.	Amanahraya Trustees Berhad PB Smallcap Growth Fund	2,969,400	1.14
24.	Maybank Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Tan Sri Dr Azmil Khalili bin Khalid*	2,938,100	1.12
25.	Citigroup Nominees (Tempatan) Sdn. Bhd. Kumpulan Wang Persaraan (Diperbadankan) (CIMB Equities)	2,862,100	1.10
26.	CIMSEC Nominees (Tempatan) Sdn. Bhd. *CIMB for Koo Kow Kiang @ Ko Keck Ting (PB)*	2,530,000	0.97

ANALYSIS OF SHAREHOLDINGS

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS (CONT'D)

No.	Shareholders	No. of Shares	%
27.	Dato' Daud bin Ahmad	2,422,900	0.93
28.	HSBC Nominees (Tempatan) Sdn. Bhd. *HSBC (M) Trustee Bhd for Pertubuhan Keselamatan Sosial (CIMB-P 6939-404)*	2,417,400	0.93
29.	Lembaga Tabung Haji *Lembaga Tabung Haji, Bhg Pemerosesan Pelaburan*	2,400,900	0.92
30.	HSBC Nominees (Tempatan) Sdn. Bhd. *HSBC (M) Trustee Bhd for Manulife Investment Progress Fund (4082)*	2,389,100	0.91
	TOTAL	**174,850,814**	**66.94**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirteenth Annual General Meeting ("**13th AGM**") of the Company will be held at Ballroom 2, Level LG, Eastin Hotel, 13, Jalan 16/11, Pusat Dagang Seksyen 16, 46350 Petaling Jaya, Selangor Darul Ehsan on Monday, 9 April 2018 at 10:00 a.m. for the following purposes:

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 October 2017 together with the Reports of the Directors and the Auditors thereon. **(Please refer to Note 7)**

2 To approve the declaration and payment of a single-tier final dividend of 5.6 sen per ordinary share for the financial year ended 31 October 2017. (Resolution 1)

3. To approve the payment of Directors' fees and any benefits payable for the financial year ending 31 October 2018 and thereafter. (Resolution 2)

4. To re-elect the following Directors who are due to retire in accordance with Article 84 of the Company's Articles of Association and being eligible, have offered themselves for re-election:

   (a) Tan Sri Razali bin Ismail; and (Resolution 3)
   (b) Encik Megat Abdul Munir bin Megat Abdullah Rafaie. (Resolution 4)

5. To re-appoint Messrs. Mazars PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. (Resolution 5)

<u>As Special Business</u>

To consider and if thought fit, with or without any modification, to pass the following Ordinary and Special Resolutions:

6. **ORDINARY RESOLUTION NO. 1** (Resolution 6)
   - PROPOSED RENEWAL OF EXISTING SHAREHOLDER MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

   "**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 2018 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."

7. ORDINARY RESOLUTION NO. 2 (Resolution 7)
- PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK

"**THAT** subject to the compliance with Sections 112, 113 and 127 of the Companies Act 2016 and all other applicable laws, rules and regulations, approval be and is hereby given to the Company, to purchase such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Malaysia Securities Berhad ("**Bursa Securities**") as the Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of shares to be purchased and held pursuant to this resolution does not exceed 10% of the existing total number of issued shares in the ordinary share capital of the Company including the shares previously purchased and retained as Treasury Shares (if any) and the maximum funds to be allocated by the Company for the purpose of purchasing its own shares shall not exceed the total retained profits of the Company, upon such terms and conditions as set out in the Circular/Statement to Shareholders dated 28 February 2018.

THAT such authority shall commence immediately upon the passing of this Ordinary Resolution and until the conclusion of the next Annual General Meeting ("**AGM**") of the Company or the expiry of the period within which the next AGM is required by law to be held unless revoked or varied by Ordinary Resolution in the general meeting of the Company but so as not to prejudice the completion of a purchase made before such expiry date, in any event in accordance with the provisions of Bursa Securities Main Market Listing Requirements and any other relevant authorities.

THAT authority be and is hereby given to the Directors of the Company to decide in their absolute discretion to retain the ordinary shares in the Company so purchased by the Company as Treasury Shares and/or to cancel them and/or to resell them and/or to transfer them and/or to distribute them as share dividends in such manner as may be permitted and prescribed by the provisions of the Bursa Securities Main Market Listing Requirements and any other relevant authorities.

NOTICE OF ANNUAL GENERAL MEETING

AND THAT authority be and is hereby given to the Directors of the Company to take all such steps as are necessary to enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and to do all such acts and things as the Directors may deem fit and expedient in the interests of the Company."

8. **ORDINARY RESOLUTION NO. 3** (Resolution 8)
   - **AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016**

"**THAT** subject always to the Companies Act 2016 ("**the Act**"), the Articles of Association 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;

AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued 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."

9. **ORDINARY RESOLUTION NO. 4** (Resolution 9)
   - **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")**

"**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."

NOTICE OF ANNUAL GENERAL MEETING

10. SPECIAL RESOLUTION (Resolution 10)
- PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION OF THE COMPANY

"**THAT** the proposed amendments to the following Articles of Association of the Company contained hereunder ("Proposed AA Amendments") be and are hereby approved and adopted with immediate effect:

Article No.	Existing Article	Proposed Amendment to Article
138	Subject to the compliance with the requirement of the Exchange and any other relevant authorities, if any, the Company may issue its annual report in compact disc read-only memory (CR-Rom) or digital video disc read-only memory (DVD-ROM) format or in any other format whatsoever (whether available now or in the future) through which images, data, information or other material may be viewed whether electronically or digitally or however.	**Deleted**.
157A	(New)	**Subject to compliance with the Act, the requirement of the Exchange and any other relevant authorities, if any, the Company may send notice of a general meeting, its annual report or any document required to be sent to its securities holders via electronic means by:** **(a) publishing on a designated weblink, provided it notifies its securities holders separately in writing, which includes e-mailing in accordance with this Article, about the publication and designated weblink to download the notice of general meeting, annual report or document; or**

NOTICE OF ANNUAL GENERAL MEETING

10. SPECIAL RESOLUTION
- PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION OF THE COMPANY ("PROPOSED AA AMENDMENTS") (CONT'D)

Article No.	Existing Article	Proposed Amendment to Article
157A (Cont'd)	(New) (Cont'd)	**(b) e-mailing its securities holders.** **The e-mail address of a securities holder as maintained by the Depository or as provided to the Company for the purpose of sending notice of a general meeting, annual report or any document required to be sent to its securities holders, if any, shall be deemed as the e-mail address for purposes of the aforesaid communication with the securities holder. In the event of a notification of e-mail delivery failure or in any other event at the Directors' discretion, the notice of a general meeting, annual report or any document required to be sent to the Company's securities holders may also be sent in electronic format such as CD-ROM, USB drive or any other portable electronic format whatsoever (whether available now or in the future) through which images, data, information or other material may be viewed whether electronically or digitally or however others and served in accordance with Article 156.** **Notwithstanding the aforesaid electronic means of communication, the Company shall –** **(a) give a printed hard copy of the notice of general meeting, annual report or document sent to the securities holder requesting the same free of charge within 4 market days from the date of receipt of the request, whether verbal or written;** **(b) designate a person to attend to securities holders' requests as stated in subparagraph (a) above;** **(c) designate person(s) to answer queries from securities holders relating to the use of the said electronic means; and** **(d) notify securities holders via the same electronic means of their rights to be given printed hard copies as stated in subparagraph (a) above and how securities holders may make such a request**

10. **SPECIAL RESOLUTION**
    - **PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION OF THE COMPANY ("PROPOSED AA AMENDMENTS") (CONT'D)**

Article No.	Existing Article	Proposed Amendment to Article
157A (Cont'd)	(New) (Cont'd)	**If a notice of general meeting, annual report or any document (other than a share certificate) is sent by the Company to its securities holders by electronic means, it is treated as being received by the intended recipient at the time it was sent. It can be proved conclusively that a notice of general meeting, annual report or any document was received by electronic means, by showing that the notice of general meeting, annual report or document was properly addressed. Subject to the Act, if a notice of general meeting, annual report or any document is sent or supplied by the Company by means of publishing on a designated weblink, it is treated as being received by the intended recipient when the notice of general meeting, annual report or document is first made available on the designated weblink or, when the recipient received (or is treated as having received) notice of the fact that the notice of general meeting, annual report or document is available on the website, whichever the later.**

AND THAT the Directors of the Company be and are hereby authorised to do all such acts, deeds and things as are necessary and/or expedient in order to give full effect to the Proposed AA Amendments with full powers to assent to any conditions, modifications and/or amendments as may be required by any relevant authorities."

11. To transact any other ordinary business of which due notice shall have been given.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

Notice is hereby given that the single-tier final dividend of 5.6 sen per ordinary share for the financial year ended 31 October 2017, if approved by the shareholders at the Thirteenth Annual General Meeting, will be payable on 28 June 2018 to shareholders whose names appear in the Record of Depositors on 30 May 2018.

A Depositor shall qualify for entitlement to the dividend only in respect of:

(a) Shares transferred into the Depositor's securities account before 4:00 p.m. on 30 May 2018 in respect of ordinary transfers; and

(b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

NOTICE OF ANNUAL GENERAL MEETING

By Order of the Board

CHUA SIEW CHUAN (MAICSA 0777689)
YEOW SZE MIN (MAICSA 7065735)
Company Secretaries
Kuala Lumpur

Dated: 28 February 2018

NOTES:

1. In respect of deposited securities, only members/shareholders whose names appear in the Record of Depositors on 2 April 2018 shall be eligible to attend the Meeting.

2. A shareholder of the Company entitled to attend and vote at the Meeting is entitled to appoint one (1) or more proxies to attend and vote in his stead. A member may appoint more than one (1) proxy in relation to a meeting, provided that the member specifies the proportion of the member's shareholdings to be represented by each proxy.

3. A proxy may but need not be a shareholder of the Company and a shareholder may appoint any person to be his proxy without limitation. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the shareholder to speak at the Meeting.

4. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under 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. Where a shareholder is an authorised nominee as defined under SICDA, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.

6. 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 not less than forty-eight (48) hours before the time for holding the Meeting or any adjournment thereof. All resolutions set out in the Notice of the Meeting are to be voted by poll.

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 6 – Proposed Shareholder Mandate**

   The proposed Resolution 6 is intended to enable the Company and its affiliated companies to enter into recurrent related party transactions or a revenue or trading nature which are necessary for the Company's day-to-day operations to facilitate transactions in the normal course of business of the Company 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 2018 for further information.

(ii) **Resolution 7 – Proposed Authority for the Company to Purchase Its Own Shares**

The proposed Resolution 7 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 2018 for further information.

(iii) **Resolution 8 – Authority to Issue Shares**

The proposed Resolution 8 is intended to renew the authority granted to the Directors of the Company at the Twelfth Annual General Meeting of the Company held on 11 April 2017 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**").

The General Mandate granted by the shareholders at the Twelfth Annual General Meeting of the Company had not been utilised and hence no proceed was raised therefrom.

The new General Mandate will enable the Directors to take swift action for allotment of shares for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s), working capital and/or acquisition(s) and to avoid delay and cost in convening general meetings to approve such issue of shares.

(iv) **Resolution 9 – Proposed Renewal of DRS Authority**

The proposed Resolution 9, 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.

(v) **Special Resolution – Proposed AA Amendments**

The proposed resolution 10 is intended to update the Articles of Association of the Company (also the Company's constitution) in accordance with Paragraph 2.19B of Bursa Malaysia Securities Berhad Main Market Listing Requirements to enable the issuance of notice of a general meeting, annual report or any document required to be sent to the Company's shareholders by the Company via electronic means such as publication of the Company's website or e-mails, or via electronic format such as CD-ROM, USB drive or any other portable electronic format, with immediate effect. With this change in the Articles of Association, there will be significant financial cost savings to the Company, as well as environmental cost savings in line with the Company's commitment to the preservation of our environment, and more efficient means of communication with shareholders.

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FORM OF PROXY

CYPARK RESOURCES BERHAD
(Company No. 642994-H)
(Incorporated in Malaysia)

CDS Account No.
Number of ordinary shares held

*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 Represented	
		No. of Shares	%
Full Address			

and/or failing *him/her,

Second Proxy "B"

Full Name (in Block)	NRIC/ Passport No.	Proportion of Shareholdings Represented	
		No. of Shares	%
Full Address			

to put on a separate sheet where there are more than two (2) proxies 100%

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 Thirteenth Annual General Meeting of the Company to be held at Ballroom 2, Level LG, Eastin Hotel, 13, Jalan 16/11, Pusat Dagang Seksyen 16, 46350 Petaling Jaya, Selangor Darul Ehsan on Monday, 9 April 2018 at 10:00 a.m. and at any adjournment thereof.

In the case of a vote by a show of hands, my proxy ____________________ [one (1) only] shall vote on *my/our behalf.

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			
1.	To receive the Audited Financial Statements for the financial year ended 31 October 2017 together with the Reports of the Directors and the Auditors thereon.			
		Resolution	For	Against
2.	To approve the declaration and payment of a single-tier final dividend of 5.6 sen per ordinary share for the financial year ended 31 October 2017.	1		
3.	To approve the payment of Directors' fees and any benefits payable for the financial year ending 31 October 2018 and thereafter.	2		
4.	To re-elect Tan Sri Razali bin Ismail, who is due to retire in accordance with Article 84 of the Company's Articles of Association and being eligible, has offered himself for re-election.	3		
5.	To re-elect Encik Megat Abdul Munir bin Megat Abdullah Rafaie, who is due to retire in accordance with Article 84 of the Company's Articles of Association and being eligible, has offered himself for re-election.	4		
6.	To re-appoint Messrs. Mazars PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.	5		
Special Business				
7.	Proposed Renewal of Existing Shareholder Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.	6		
8.	Proposed Renewal of Authority for Share Buy-Back.	7		
9.	Authority to Issue Shares pursuant to the Companies Act 2016.	8		
10.	Proposed Renewal of Authority to Issue Shares pursuant to the Dividend Reinvestment Scheme.	9		
11.	Proposed Amendments to Articles of Association of the Company.	10		

As witness *my/our hand(s) this day __________ of ____________________, 2018.

* Strike out whichever not applicable

*Signature/Common Seal of Member

Notes:

1. In respect of deposited securities, only members/shareholders whose names appear in the Record of Depositors on 2 April 2018 shall be eligible to attend the Meeting.
2. A shareholder of the Company entitled to attend and vote at the Meeting is entitled to appoint one (1) or more proxies to attend and vote in his stead. A member may appoint more than one (1) proxy in relation to a meeting, provided that the member specifies the proportion of the member's shareholdings to be represented by each proxy.
3. A proxy may but need not be a shareholder of the Company and a shareholder may appoint any person to be his proxy without limitation. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the shareholder to speak at the Meeting.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under 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. Where a shareholder is an authorised nominee as defined under SICDA, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
6. 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 not less than forty-eight (48) hours before the time for holding the Meeting or any adjournment thereof. All resolutions set out in the Notice of the Meeting are to be voted by poll.

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STAMP

The Company Secretary
CYPARK RESOURCES BERHAD **(642994-H)**
c/o Securities Services (Holdings) Sdn Bhd
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur

FOLD HERE

www.crbenv.com

CYPARK RESOURCES BERHAD (642994-H)

Unit 13A-09, Block A, Phileo Damansara II

No.15, Jalan 16/11, 46350 Petaling Jaya, Selangor, Malaysia

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