Cypark

Cypark Resources Berhad
(642994-H)

POWERING
Sustainable Future

2012 ANNUAL REPORT

MISSION

We strive to enhance the quality of living environment. We are multi-disciplinary professionals who are committed to provide quality services beyond our client's expectations and work towards the best interest for our stakeholders by continuous improvement of our skills.

VISION

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

COVER RATIONALE

The cover signifies the merging of energy and environment as a dynamic force that would propel us towards a sustainable planet. A sustainable world, where nature's energy is our energy. Where re-imagination of waste is our energy. Where sustainability and competitiveness are at the core of our business. Where innovation and technology respect the future of our planet. That's our world. That's the Cypark world.

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10 Chairman's Statement

A renewable energy revolution is underway. With over 100 gigawatts of renewable power generation capacity added in 2011 alone, renewables have gone mainstream.

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CYPARK: THE TRANSFORMATION

Transforming dump sites, an environmental bane to an economic and environmental boon is the *raison d'etre* of our business. The critical goal of landfill remediation is to protect human health and the environment by eliminating airborne vectors, contamination of land and water, air pollution and a host of other problems caused by open dumping. The ultimate aim is to return land back to the community in a form that will benefit the environment and the community.

As an environmental technology and engineering specialist, Cypark combines technologies and engineering proficiency, with state of the art research and development, to develop systems specifically for restoring brownfields like the Contaminated Land Assessment Remediation and Information System (COLARIS), Sustainable Environmental Restoration (SER) and Groundwater Assessment Remediation and Information System (GARIS).

We have taken our business a step further by venturing into the renewable energy sector. We have transformed the restored landfill in Pajam, Negeri Sembilan into an integrated renewable energy park, an Entry Point Project under the nation's Economic Transformation Programme. Such a project unlocks the economic potential of landfills, employing landfill by-products like biomass and biogas as well as sunlight to create renewable energy, which will undoubtedly help meet the country's growing demand for energy.

Leveraging the synergy from restoring landfills to the creation of renewal energy has placed Cypark at the forefront of sustainable development and green energy generation. We are proud to note that the Integrated Renewable Energy Park in Pajam, Negeri Sembilan has received accolades from the Malaysian Book of Records as the largest grid connected solar park in Malaysia. It has also won the Asian Power Awards 2012 (Power Utility of the Year-Malaysia) and the Malaysian GreenTech Award 2012 (GreenTech Utilities Developer-Silver).

At Cypark, as we journey towards becoming a green utility company we recognise that a balanced enduring approach is needed to ensure sustainability in economic activity, environmental responsibility and social progress. Our commitment to sustainable development is evidenced by what we do. We help to preserve our environment, preventing further degradation to land, water and air with a strong aspiration to help create a sustainable, healthy and economically stable environment for our children and future generations.

“*We recognise that a balanced enduring approach is needed to ensure sustainability in economic activity, environmental responsibility and social progress . Our commitment to sustainable development is evidenced by what we do.*”

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

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

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

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

AUDIT COMMITTEE

Chairman
Dato' Dr. Freezailah bin Che Yeom

Member
Headir bin Mahfidz
Megat Abdul Munir bin Megat Abdullah Rafaie

NOMINATION COMMITTEE

Chairman
Dato' Dr. Freezailah bin Che Yeom

Member
Headir bin Mahfidz
Megat Abdul Munir bin Megat Abdullah Rafaie

REMUNERATION COMMITTEE

Chairman
Dato' Dr. Freezailah bin Che Yeom

Member
Tan Sri Razali bin Ismail
Datuk Abdul Malek bin Abdul Aziz

RISK MANAGEMENT COMMITTEE

Chairman
Datuk Abdul Malek bin Abdul Aziz

Member
Headir bin Mahfidz
Megat Abdul Munir bin Megat Abdullah Rafaie

COMPANY SECRETARIES

Chua Siew Chuan (MAICSA 0777689)
Yeow Sze Min (MIA 31521)

CORPORATE OFFICE

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

REGISTERED OFFICE

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

SHARE REGISTRAR

Securities Services (Holdings) Sdn Bhd
(36869-T)
Level 7, Menara Milenium,
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Tel: 03-2095 7077

AUDITORS

Ernst & Young (AF: 0039)
Chartered Accountants
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur
Tel: 03-7495 8000

PRINCIPAL BANKERS

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

HSBC Amanah Malaysia Berhad (807705-X)
No. 2, Leboh Ampang
50100 Kuala Lumpur
Tel: 03-2070 0744

STOCK EXCHANGE LISTING

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

CORPORATE STRUCTURE

Cypark Resources Berhad
[642994-H]

- **100%** Cypark Renewable Energy Sdn Bhd [511203-V]
  - **100%** Cypark Suria (Negeri Sembilan) Sdn Bhd [931249-U] *SPV*
    - **100%** Cypark Suria (Pajam) Sdn Bhd [936830-A] *SPV*
    - **100%** Cypark Suria (Kuala Sawah) Sdn Bhd [947444-H] ** Dormant*
    - **100%** Cypark Suria (Bukit Palong) Sdn Bhd [947449-U] ** Dormant*
    - **100%** Cypark Suria (Sua Betong) Sdn Bhd [947423-D] ** Dormant*
- **100%** Cypark Sdn Bhd [477970-K]
- **100%** Cypark International Sdn Bhd [832148-T] *SPV * Dormant*
  - **100%** Cypark Smart Technology (Holdings) Sdn Bhd [988535-U] *SPV * Dormant*
    - **100%** Cypark Smart Technology (NS) Sdn Bhd [988514-A] *SPV * Dormant*
      - **100%** Cypark Smart Technology Sdn Bhd [988514-T]

Note: SPV: Special Purpose Vehicle

INVESTOR RELATIONS AND KEY PERFORMANCE HIGHLIGHTS

INVESTOR RELATIONS

Cypark Resources Berhad maintains a strong rapport with the investment community through proactive and regular investor engagements. The Investor Relations (IR) team drives and facilitates financial communication efforts with existing and potential institutional investors, financial analysts as well as retail shareholders. IR activities throughout the financial year 2012 were conducted primarily by top management, namely the Group Chief Executive Officer and Group Financial Controller, along with relevant officers.

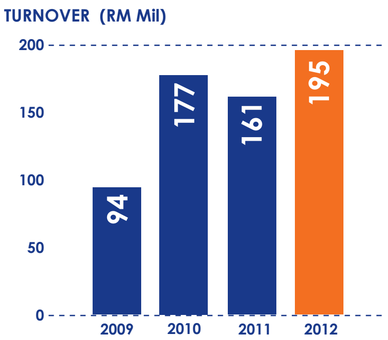
Cypark held as well as participate in a series of meetings, site visits and engagement activities to allow the investment community greater access to top management in order to facilitate better understanding of latest developments in the company as well as current industry issues.

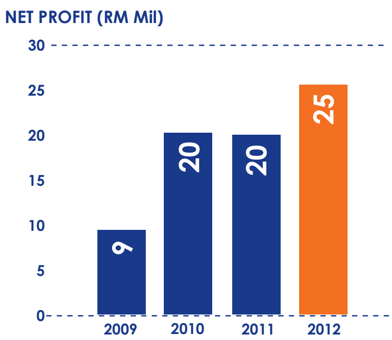
The IR portal (http://ir.chartnexus.com/cypark/index.php) on the company's website serves as a key communication platform through which the IR team ensures up-to-date corporate information and financial data are readily accessible to stakeholders.

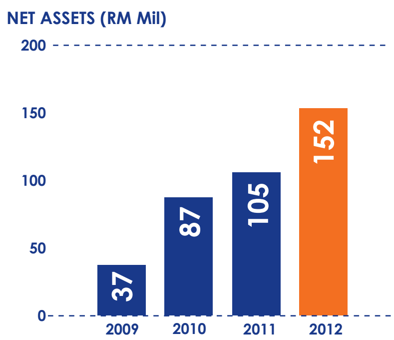
KEY PERFORMANCE HIGHLIGHTS

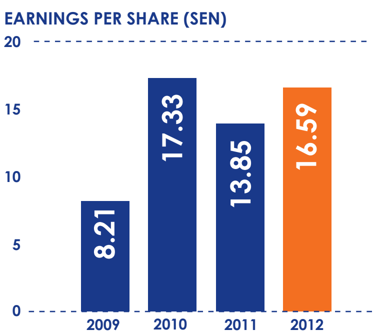
Year Ended 31 October

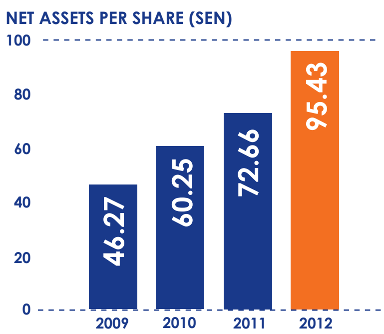
	2009	2010	2011	2012
Turnover	94,037,184	177,552,535	161,530,920	195,801,612
Net Profit	9,437,411	20,288,642	20,087,808	25,578,401
Net Assets	37,012,765	87,362,650	105,355,861	152,631,298
Earnings Per Share (sen)	8.21	17.33	13.85	16.59
Net Asset Per Share (sen)	46.27	60.25	72.66	95.43











MEDIA HIGHLIGHTS

Cypark sustains its communication with the GLOBAL LANDSCAPE

Cypark Resources Berhad manages corporate communication transparently and responsibly.

Jana tenaga elektrik bagi 10.000 rumah penduduk Nilai

NS jadi pengeluar solar terbesar

22 Feb 2012, Kosmo NS jadi pengeluar solar terbesar

森再生能源区明年竣工

22 Feb 2012, Nanyang Malaysia first renewable energy Cypark

22 Feb 2012, Oriental Daily Pajam produce Biogas and sell it to Tenaga

24 April 2012, Interview TV3

TERIMA ANUGERAH

21 Mar 2012, Utusan Cypark Largest Solar Park

至2020年省140億

21 Mar 2012, China Press Development of renewable energy

Cypark posts higher Q2 earnings and revenue

PETALING JAYA: Integrated renewable energy power producer Cypark Resources Bhd posted a 25% higher net profit of RM7.8mil for the second quarter of its financial year ending Oct 31, 2012, while revenue increased 6.5% to RM43.6mil.

Its pre-tax profit surged 33% during the period to RM10.1mil from RM7.6mil.

For its first half, pre-tax profit improved 17% to RM18.9mil from RM16.2mil, while revenue rose 3% to RM85.8mil from RM83.2mil previously.

Cypark group chief executive officer Daud Ahmad said: "With our Pajam solar park generating and exporting energy to the national grid and three more solar parks about to 'go live' in the next quarter, the renewable energy business is expected to contribute significantly.

"The group believes that with the various initiatives being implemented by the Malaysian Government in promoting green energy, our plans for our future growth augur well for Cypark Resources."

Daud also said the concession agreement for the newly approved integrated waste management plant was currently being finalised and expected to be signed soon.

The plant, which includes waste to energy facility through public private-partnership scheme, is expected to boost the group's earnings and financial position over the next 25 years.

"Based on the renewable energy industry outlook, locally and globally... and barring any unforeseen circumstances, we believe that the business and performance of the group is expected to remain positive and strong," Daud said.

Cypark is primarily an environmental technology and engineering specialist focusing on integrated renewable energy, waste management and environmental remediation. – Bernama

03 July 2012, The Star Cypark posts higher Q2 earnings and revenue

CYPARK RESOURCES BHD

Cypark's 1HFY12 profit achieves 47% of full-year estimate

03 July 2012, Malaysian Reserve Cyparks 1HFY12 Profit achieves 47% of full year estimates

MEDIA HIGHLIGHTS

The company maintains an active and professional relationship both with mainstream media and economic media as well as with those from specific sectors and national and international experts.

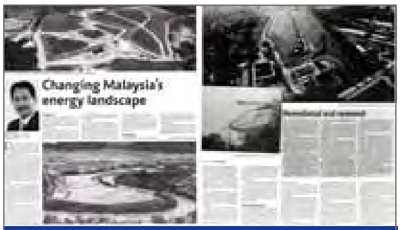

Cypark 3Q profit up 16% on Putrajaya project

01 Oct 2012, Malaysian reserve Cypark 3Q profit up 16 on Putrajaya project


CYPARK WINS ASIAN AWARD

PETALING JAYA: A Malaysian integrated renewable energy power producer, Cypark Resources Berhad (Cypark), was awarded the coveted Asian Power Awards. The award ceremony was held at the Grand Hyatt Erawan Hotel in Bangkok on Saturday, in conjunction with the Renewable Energy World Asia conference and Power-Gen Asia exhibition.

08 Oct 2012, The Sun Cypark wins Asian Award


Changing Malaysia's energy landscape

09 Oct 2012, NST Green Tech edition changing Malaysia's energy landscape


Cypark lights up at Asian power awards

08 Oct 2012, Malay Mail Cypark lights up at Asian Power Awards


北部經濟走廊吸資123億

14 Dec 2012, See Hua Daily News Cypark signs with NCIA

18 Dec 2012, Bernama Biz Talk


Cypark Resources looks to power up

Cypark powers ahead with RE

RENEWABLE ENERGY: Company plans to expand supply to the national grid from 8MW now to 15MW in the next six months

26 Oct 2012, NST Cypark powers ahead with RE

IT'S A DEAL ... Prime Minister Datuk Seri Najib Abdul Razak witnesses the exchange of documents on the memorandum of agreement on investing in the Northern Corridor Economic Region (NCER) between Northern Corridor Implementation Authority (NCIA) chief executive officer Datuk Redza Rafiq (right) and Cypark Resources Sdn Bhd executive chairman Tan Sri Razali Ismail at the Prime Minister's Department in Putrajaya yesterday. Report on Page 21.

14 Dec 2012, The Sun Cypark signs with NCIA

JANUARY

Cypark announced Approval-in-Principle received for Ladang Tanah Merah Waste-to-Energy (WTE) Project

FEBRUARY

Official site visit by Menteri Besar Negeri Sembilan to Integrated Renewable Energy Park (IREP - Pajam) at Pajam, Negeri Sembilan

MARCH

- Prime Minister of Malaysia YAB Dato' Seri Najib Razak officially launched
  - Integrated Renewable Energy Park (IREP - Pajam) in Pajam Negeri Sembilan
  - Solar PV Industry Alliance (SPINAL) which consists of Cypark, LG, Q-Cells, UKM SERI and TNB Research with Cypark as SPINAL's Chairperson
- Cypark's IREP - Pajam received accolades from Malaysia Book of Records as
  - Malaysia's Largest Grid-Connected Solar Park and
  - Most Number of Solar Panels in a Grid-Connected Solar Park (on a Safely Closed Landfill)
- Prime Minister of Malaysia YAB Dato' Seri Najib Razak witnessed the signing of MoU between Cypark and First Myanmar Investment in Nay Pyi Taw, Myanmar for a renewable energy project

APRIL

- Cypark's Annual General Meeting (FY2011)
- Visit by Majlis Perbandaran Kangar along with other relevant stakeholders to Kuala Perlis Solar Park followed by stakeholders' Consultative Dialogue

CORPORATE MILESTONES

MAY

- Visit by Majlis Daerah Pontian along with other relevant stakeholders to Rimba Terjun Solar Park followed by stakeholders' Consultative Dialogue

SEPTEMBER

- Cypark was chosen by Negeri Sembilan's Economic Planning Unit to be showcased during Negeri Sembilan "Janji Ditepati Bersama PM"
- Cypark's Extraordinary General Meeting

JUNE

- Cypark was identified as the Number ONE company among Top 10 solar project developers in Malaysia (by pipelines) in a report by Bloomberg New Energy Finance

OCTOBER

- Cypark won Asian Power Awards - Power Utility of the Year (Malaysia) in an event held in Bangkok, Thailand
- Cypark won Malaysian GreenTech Awards 2012 - Commercial Utilities Developer Award (Silver).
- Cypark was showcased as one of the Top 3 Renewable Energy companies in South East Asia at Asian Future Energy Forum 2012 in Singapore
- Participated in 2012 International GreenTech Exhibition Malaysia (IGEM) held in Kuala Lumpur Convention Centre

CHAIRMAN'S STATEMENT

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

Dear Shareholders,

"A RENEWABLE ENERGY REVOLUTION IS UNDERWAY

This message is clearly illustrated in the International Renewable Energy Agency (IRENA's) publication, 'Renewable Power Generation Costs' released in late 2012.

*With over 100 gigawatts** of renewable power generation capacity added in 2011 alone,*

RENEWABLES HAVE GONE MAINSTREAM

The rapid deployment, working in combination with high learning rates for some technologies, has produced a virtuous circle that leads to significant cost declines and is helping fuel the renewable revolution."

OVERVIEW OF GLOBAL RENEWABLE ENERGY DEVELOPMENT

IRENA outlined that global energy demand will rise by one third in the period to 2035 where emerging economies underpin a 70 per cent increase in global demand for electricity.

Globally, there is a growing realisation of the need to shift our energy system from a reliance on fossil fuels towards renewable sources of energy. This transition has been a long time coming.

Such transitions, however, are never easy. Political will and commitment are required. A willingness to buck special interests invested in old systems is necessary. Comprehensive financial investment is needed, both public and private. Lots of it.

The path towards sustainable energy sources will be long and sometimes difficult. It is not impossible. The world has been through major energy transitions before. Almost always, these prior transitions have been driven by changes in both technology and economic

*(**2011 data - the last year for which globally comprehensive data are available – showed over 40 GW of new wind power, 30 GW of solar photovoltaics, 25 GW of hydropower, and over 6 GW of other renewables including biomass, concentrated solar, and geothermal = over 100 GW)*

CHAIRMAN'S STATEMENT

conditions. Albeit, they have been slow - occurring over decades, as society adjusts to new ideas, retires old investments, and often, learns new ways of meeting business and social needs – progress eventually happened.

The planet and its people, however, no longer have the luxury of as slow a transition as we have seen in the past. The pressures to expand renewables come from several directions, including a desire to expand domestic energy production and domestic industries, but also a renewed awareness of the growing threat posed by our current energy mix to the planet's climate, and the ultimate consequences for our water, food production, ecosystems, coastal developments, human health, and more.

To ensure that renewable energy receives the consideration it should: we must realise that our real challenge has moved from the idea, and growing public support for that idea, to implementing concrete action. It is the practical issues that surround the development and deployment of renewable energy that pose the pressing questions now. These issues span many subjects, including policy, investment, technology, and technological costs. At some point before 2020, the question of renewables' fundamental economic competitiveness will cease to be an issue. Renewable technology costs will continue to decline, while fossil fuel prices will continue to increase. With the dramatic growth of renewable energy markets over the past decade, along with manufacturing economies of scale, creating pragmatic solutions for the future will unlock the true potential of renewable energy to provide clean, secure, and sustainable energy to all.

Solar Photovoltaic (PV), for example, has seen dramatic cost reductions in recent years. Projections show continued cost reductions, many possible technology advances, and full competitiveness with retail electricity prices without subsidies or "grid parity" already occurring in many countries and will continue to occur globally by 2020. Analysts at Deutsche Bank, in a recent report, buoyed by bullish demand forecasts, increasing utilisation rates and pricing as well as citing the arrival of "grid parity" in a number of key markets have predicted that the global solar PV sector will undergo transition from a subsidised market to a sustainable market by 2014.

An energy revolution is happening faster than it has happened in the past. We will find ourselves unable to resist this as transition as it is both inevitable and necessary if we are to have any chance of reducing the likelihood of disastrous global climate change.

OVERALL BUSINESS PERFORMANCE

The Group continued building and leveraging our extensive capabilities, broad environmental-based footprint and strong technological expertise to solidify our market positions and develop new avenues for growth. In 2012, we continued on a steady pace to increase our renewable energy generation producing enough renewable energy to power more than 25,000 basic homes.

We will continue our focus on combining innovative technology and engineering efficiency to respond to and anticipate industry's needs by extending service offerings and integrating our technology developments into improved end-user solutions. As we complete more renewable energy (RE) parks in 2013, our goal remains to expand our engineering, procurement and construction (EPC) services, while further strengthening our one-stop total solutions expertise for RE and environmental management sector.

Our commitment to the Malaysian market has given us a significant competitive advantage in the attractive home-grown market to further improve our financial ratios moving forward. Being identified as the top-tier company among Top 10 solar project developers in Malaysia (by pipelines) in Bloomberg New Energy Finance June 2012 report and winning the Asian Power Awards: Power Utility of the Year 2012 (Malaysia) – dubbed as the 'Oscars' of the

CHAIRMAN'S STATEMENT

power industry where the region's crème de la crème is recognized for striving unceasingly towards quality and excellence – is an acknowledgement of Cypark's proven track record and forefront position in bringing both environmental as well as economic transformation to remediated landfills.

Towards the second half of 2012, the Group embarked on an enterprise risk management exercise to provide shareholders and stakeholders with reasonable assurance regarding mitigation, avoidance, and management of risk factors and circumstances, as well as promote opportunities for the Group to capitalize on risk events and thresholds.

On the international front, Cypark signed a Memorandum of Understanding with First Myanmar Investment Co to develop a waste management and renewable energy project in Myanmar.

REVIEW OF PERFORMANCE AND FINANCIAL RESULTS

For the financial year ended 31 October 2012, the Group achieved strong operating results, experienced continued success in delivering projects, and received several notable accolades.

The Group's revenue for the current financial year increased by 21% to RM196 million from RM162 million recorded in the preceding financial year. Profit before tax for the current financial year increased substantially by 24% to RM34.1 million from RM27.5 million recorded in the preceding financial year. Profit after tax for the current financial year ended 31 October 2012 rose by 27% to RM25.5 million from RM20.1 million.

DIVIDEND

In respect of the financial year ended 31 October 2011 as reported in the directors' report of that year, first and final tax-exempt (single tier) dividend of 3.75 sen per share on 159,837,500 ordinary shares, declared on 23 April 2012 and paid on 15 June 2012 was RM5,993,906.

At the forthcoming Annual General Meeting, a final tax exempt (single-tier) dividend in respect of the financial year ended 31 October 2012 of 4.00 sen per share on 159,957,500 ordinary shares, amounting to a dividend payable of RM 6,398,300 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 October 2013.

CHAIRMAN'S STATEMENT

SUSTAINABLE HUMAN CAPITAL

At Cypark creating a sustainable future covers all realm of our business. This includes sustainable talent.

Our employees are the cornerstone of our success, and we work diligently to provide them with the tools they need to grow and succeed in their careers. We aim to reflect our core values and exhibit the highest ethical standards in our workplace culture — both together as a company and as individuals.

Cypark's company-wide sustainability focus underpins a longstanding commitment to the community and the environment. Our teams – already skilled in investigating design solutions and technologies that minimise social, environmental and economic risks – are supported by Cypark's well-developed suite of processes and procedures. Through the commitment, skills and diligence of its talent pool, Cypark is helping meet the infrastructure needs of today, while creating a positive legacy for future generations to ensure sustainable growth for all.

SERVING THE COMMUNITY

Cypark maintains an unwavering commitment to corporate responsibility. Our values of safe operations, environmental stewardship, community service and the highest standards of business conduct are not negotiable.

Giving back to our communities is an integral part of Cypark's business activities. By virtue of our environment focus, the Group had the unique opportunity to create a core theme, selecting renewable energy education, as the foundation on which we would execute our corporate responsibility activities.

This annual report is our first foray into sharing our corporate responsibility activities and addresses the many ways in which we integrate the importance of renewable energy in preserving our global environment and mitigating climate change.

BUSINESS SUSTAINABILITY

Sustainability demands an enduring, integrated approach that balances customer requirements and corporate objectives with the protection of health, safety and the environment. Sustainability is a central motivation for our transformation from an environmental technology provider to one that views and uses waste as a resource for green energy generation.

At Cypark, we believe that our obligations as a company are not just to shareholders and stakeholders but to all posterity. Environmental stewardship is thus linked inextricably to our business performance, where moving forward, business sustainability would mean creating synonyms between waste, energy and environment.

The commitment to quality is a strategic tool with which Cypark seeks to increase the trust of its clients. This commitment represents a priority which is not only very important when ensuring our clients' loyalty, but has also been used to capture new clients who have been impressed by our business model.

Our goal is to grow the Group into a "one-stop shop" for customers seeking sustainability solutions. As our own business evolves and the demand for renewable energy increases, driven by governmental and customer sustainability goals, we are determined to help our clients meet their sustainability goals — and perhaps even to inspire new goals.

FUTURE FOCUS

Globally, attitudes are changing and actions are following suit.

The rising tide of environmental awareness means that consumers, you and I, want more than the traditional ways of

CHAIRMAN'S STATEMENT

managing waste. Companies are being called upon to develop cutting-edge solutions that will benefit the environment now and in the future.

At Cypark we are charting new territory.

With the path to a more sustainable future being about all of us who stand at the intersection of business and the environment, we increasingly recognize that we have a new role to play. Our business has never been more relevant to the world we live in and the challenges our customers face than it is today.

Our direction is clear. We endeavour to find new and better ways to provide our customers with valued environmental solutions. We will extract more value from the materials we manage and we will continue to challenge ourselves to minimize our own operational footprint and improve the environment even as we help our customers to do the same.

All these goals affirm our belief that a strategy designed to benefit the environment greatly benefits everyone—our business, our shareholders, our employees, our customers, and the communities we serve.

Cypark is committed to continue to work with our customers, with communities, with partners and entrepreneurs, playing a leading role in this changing landscape, to drive the change that is needed for our changing world.

The opportunities that arise from the environmental challenges facing the planet in the 21st century have never been greater. That opportunity motivates me – and inspires all of us at Cypark, each and every day. We look forward to sharing that journey with you.

ACKNOWLEDGEMENTS

Cypark's goals for sustainable growth signal our commitment to providing solutions for critical future needs. These goals reinforce our conviction that what is good for the environment is also good for our business, good for our customers' businesses, good for our communities and good for future generations.

We look forward with renewed enthusiasm to creating more solutions for a changing world. We will work to grow our markets by focusing on customer-driven solutions, maintaining our pricing discipline and making the company operate more efficiently. We will continue to extract more value from the waste stream, invest in greener technologies, and protect and improve the environment. We will do all of this while maintaining our financial and operational strength so that we can accomplish our work and return value to our shareholders.

From shareholders, to government, to Board of Directors, Management and staff, to suppliers and overall stakeholders, I thank you for your continuing confidence in our ability to achieve these goals.

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

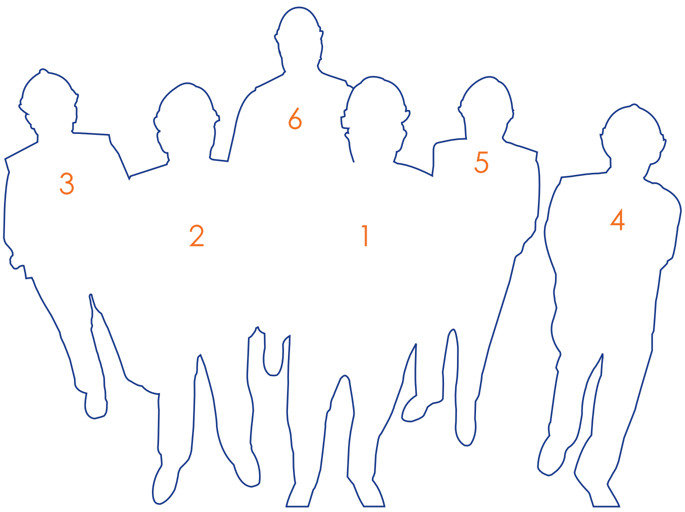
AWARDS & ACCOLADES

Malaysia Book of Records
Largest Grid-Connected Solar Park and Most Number of Solar Panels on a Grid-Connected Solar Park (Safely Closed Landfill) in Malaysia
20 March 2012

Asian Power Awards 2012
Power Utility of the Year (Malaysia)
4 October 2012

Malaysia GreenTech Award 2012
Greentech Commercial Utilities Developer Award (Silver)
12 October 2012

BOARD OF DIRECTORS



1. Tan Sri Razali bin Ismail
   Executive Chairman
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2. Daud bin Ahmad
   Group Chief Executive Officer
   Non-Independent Executive Director

3. Headir bin Mahfidz
   Independent Non-Executive Director

4. Datuk Abdul Malek bin Abdul Aziz
   Independent Non-Executive Director

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

6. Megat Abdul Munir bin Megat Abdullah Rafaie
   Independent Non-Executive Director

BOARD OF DIRECTORS' PROFILE

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

Tan Sri Razali Ismail, a Malaysian, aged 73, 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.

A graduate of Universiti Malaya, Tan Sri Razali is involved in environmental industries specifically in renewable energy and solar, is the Pro Chancellor of the University Science Malaysia, Chairman of the National Peace Volunteer Corp (Yayasan Salam), heads an NGO project - Yayasan Chow Kit on street and displaced children; sits on the Board of the Razak School of Government, and promotes the protection and replanting of mangroves. He was recently appointed Chairman of the Global Movement of Moderates Foundation.

Tan Sri Razali has attended seven (7) out of the seven (7) Board of Directors' Meetings held during the financial year ended 31 October 2012. 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.

DAUD BIN AHMAD
Group Chief Executive Officer
Non-Independent Executive Director

Encik Daud bin Ahmad, a Malaysian, aged 47, 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, Encik 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.

He has over 22 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.

Encik Daud has attended seven (7) out of the seven (7) Board of Directors' Meetings held during the financial year ended 31 October 2012. 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.

BOARD OF DIRECTORS' PROFILE

HEADIR BIN MAHFIDZ
Independent Non-Executive Director

Encik Headir bin Mahfidz, a Malaysian, aged 47, 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.

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. He is also a Fellow of Malaysian Institute of Accountants, being admitted since 1996.

Encik Headir has attended seven (7) out of the seven (7) Board of Directors' Meetings held during the financial year ended 31 October 2012. 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 ten (10) years, other than traffic offences, if any.

DATUK ABDUL MALEK BIN ABDUL AZIZ
Independent Non-Executive Director

Datuk Abdul Malek bin Abdul Aziz, a Malaysian, aged 75 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 one (1) out of the one (1) Board of Directors' Meetings held during the financial year ended 31 October 2012 since his appointment to the Board. 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.

BOARD OF DIRECTORS' PROFILE

DATO' DR FREEZAILAH BIN CHE YEOM
Independent Non-Executive Director

Dato' Dr. Freezailah bin Che Yeom, a Malaysian, aged 73, 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 in 1963 and 1974 respectively. Dato' Dr. Freezailah is currently an Advisor to the Ministry of Plantation Industries and Commodities. He has previously served in the Forestry Department of Peninsular Malaysia and has 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 into a respected global organisation.

Dato' Dr. Freezailah has attended six (6) out of the seven (7) Board of Directors' Meetings held during the financial year ended 31 October 2012. 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 ten (10) years, other than traffic offences, if any.

MEGAT ABDUL MUNIR BIN MEGAT ABDULLAH RAFAIE
Independent Non-Executive Director

Encik Megat Abdul Munir bin Megat Abdullah Rafaie, a Malaysian, aged 43, 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.

Prior to forming Messrs. Zain Megat & Murad, Megat had stints at Messrs. Lee Swee Seng & HM Low and Messrs. Leong & Megat upon completion of his Bachelor of Laws at International Islamic University Malaysia. He was called to the Malaysian Bar in 1994.

Encik Megat Abdul Munir has attended one (1) out of the one (1) Board of Directors' Meetings held during the financial year ended 31 October 2012 since his appointment to the Board. 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.

CORPORATE RESPONSIBILITY

Commitment to overall sustainability is a VALUE INHERENT AT CYPARK

Cypark Resources Berhad undertakes its activity with a growing vocation of sustainability and commitment to all of its stakeholders. Articulated within and supported by the company's business strategy, these form part of the company's culture and supports the principles of corporate responsibility.

Cypark's corporate responsibility policy consists of aiming for high-level social and environmental performances. With the main objective to harmonise our social investment with our responsibility as a company, Cypark implements projects in line with the responsibility which is derived from our business areas in which we undertake our activity.

RENEWABLE ENERGY EDUCATIONAL AWARENESS CAMPAIGN

The local population, THE MAIN BENEFICIARY

- Cypark is committed to supporting educational initiatives that increase awareness as well as develops skills and knowledge about renewable energy (RE) and the environment.

ADOPT-A-SCHOOL PILOT PROJECT

Sekolah Menengah Kebangsaan Mantin

- Cypark embarked on a pilot programme with Sekolah Menengah Kebangsaan Mantin with the objective to educate students on sustainable future focusing on creating awareness on the importance of sustainable energy and its impact on environment. Activities associated with the pilot project include
  - Introductory Session: What is Renewable Energy and its benefits to the environment
  - Students visit Cypark Integrated Renewable Energy Park in Pajam, Negeri Sembilan
  - Students demonstrate their acquired knowledge by presenting to Chief Minister of Negeri Sembilan and other prominent guests during the launch of Cypark's 8MW solar park in Pajam
  - Composting programme
  - Tree planting programme

Sekolah Kebangsaan Kuala Gula

- With several of Cypark's project site being adjacent to mangroves area, Cypark was motivated to further educate its staff on environment aspects, specifically the importance of mangroves. Cypark, in collaboration with Global Environment Center, held several programme at SK Kuala Gula in Kuala Gula, Perak to learn more about mangroves conservation programme that are run by NGOs and the primary school

CORPORATE RESPONSIBILITY

SOLAR CENTER OF EXCELLENCE

The success of the two pilot projects inspired Cypark to establish a Solar Centre of Excellence at its Pajam Integrated Renewable Energy Park in Negeri Sembilan to further educate all interested stakeholders. The centre now receives approximately 200 visitors per month

Education Institutions

- Using activities from "Adopt-a-School" programme as our cornerstone, Cypark was able to replicate the RE Educational Awareness Campaign with other institutions of learning
- The Centre also serves as test bed for various institutions to conduct educational research and practicum courses

Government

- Integrated Renewable Energy Park in Pajam, Negeri Sembilan also acts as a training venue for government agencies to marry theory with the practical aspects of sustainable energy

Sustainability Celebrations

- On international level, Cypark organised related activities to celebrate sustainability and environment such as Earth Hour, Earth Day and Environment Day. Cypark was also the proud host to 80 participants from 15 Asia Pacific countries during Hostelling International's programme "Hostelling for Peace and International Understanding"

CORPORATE RESPONSIBILITY

Environmental protection,
A SHARED OBJECTIVE

- Dialogues with communities and interested parties, provide Cypark with the opportunity to provide stakeholders with accurate, accessible information and most importantly gain feedback on our business and corporate responsibility activities.

STAKEHOLDERS ENGAGEMENT

Community Engagement



- Cypark seeks to be welcome in the communities where we operate and to contribute to development and progress in those areas. Behaving responsibly and with respect is good both for the community, good for our business, and is part of a social license to operate. Aside from financial contribution, work is already under way to standardize how dialogues on sustainability issues are held and how stakeholders' views are captured, evaluated and acted on.

Conference / Seminar


- As part of the company's laying-of-first-stones to assist stakeholders enhance and align theory as well as practical aspects of the importance of renewable energy with respect to environmental sustainability, Cypark has also lent its support, through participation in several associated fairs and industry forums. Through these platforms, Cypark shares its experiences in implementing renewable energy projects and connecting renewable energy to corporate responsibilities.

Employee Engagement





Internal talent,
A TACTICAL BUSINESS STRATEGY

- With diverse project portfolios, 2012 was characterised by investment in talents as a key element to meeting our strategic objectives. After several years of exceptional growth, the management of talent and commitment to our employees are a priority. To this end, our efforts were focused on boosting the development of talents by facilitating the policies, procedures, tools and rewards that would enable them to continuously grow and achieve the maximum goals in their careers. In addition to professional development, our efforts were also aimed at improving employees' quality of life while at work. This was achieved by creating an atmosphere that would allow for greater networking among colleagues.

  Our talent development strategy is a key factor in keeping an engaged, motivated, and retained workforce. By investing in our employees, through providing a culture of fun, learning and development opportunities, we are ready for the future and remain an attractive, first-rate employer for talent.

CORPORATE RESPONSIBILITY

SOLAR PV INDUSTRY ALLIANCE (SPINAL)

Commitment to VALUE CREATION

- Underpinned by a diverse project portfolio in various locations, Cypark pursues sustainable growth by generating value in the renewable energy sector. Thus, boosting R&D for the industry is an inherent priority of Cypark. In an effort to generate cooperation in our areas of business with external organisations which provide knowledge, methodologies and resources, Cypark Integrated Renewable Energy Park in Pajam, Negeri Sembilan is home to Solar PV Industry Alliance (SPINAL), a grouping of industry players, higher learning institutions and research institutions with the aim to foster strategic cooperation among solar power industry stakeholders.


RM14b savings with energy efficiency


Tingkatkan penyelidikan - PM

ENVIRONMENTAL COMMITMENT IN BUSINESS ACTIVITIES

Technological innovation PROMOTES ENVIRONMENTAL MANAGEMENT

- Aware of the environmental consequences which could be derived from the activities it undertakes, Cypark has in place measures to control and minimise environmental impacts in all locations we operate. Through vast experience in environmental management projects and services, Cypark adopted several initiatives aimed at developing innovative ideas which would enable the utilisation of advanced environmental friendly products and services.
  The environmental management of our projects starts with an exhaustive identification of the real and potential environmental aspects derived from the activities to be carried out within the framework of the project. Once identified and assessed, operational controls and monitoring parameters are instituted, minimising risks associated with the activity. Moreover, in all our projects the applicable legal requirements are identified whilst establishing the mechanisms for the continuous assessment of compliance.
  The actions undertaken have laid the foundations for achieving high operation and management standards, regardless of project location. This enables Cypark to comply at all times with legal requirements whilst seeking customer satisfaction and adopting measures for environmental sustainability.

ENVIRONMENTAL & ECONOMIC TRANSFORMATION
(KUALA PERLIS, PERLIS)

Environmental Transformation

PRE-CLOSURE

POST-CLOSURE

Economic Transformation

Kuala Perlis Renewable Energy Park at a glance:

- Installed Capacity : 5MW + 1MW (Solar)
- Project Owner : Ambang Fiesta Sdn Bhd
- Project Developer : Cypark Renewable Energy Sdn Bhd
- Project Turnkey Contractor : Cypark Renewable Energy Sdn Bhd
- Project Operator : Cypark Renewable Energy Sdn Bhd
- Solar Film Technology : Crystalline
- Power Purchaser : Tenaga Nasional Berhad
- Facility Saiz : 20 Acres Safely Closed Non Sanitary Landfill
- Environmental Safe Closure Design, Engineering & Technology : Cypark Resources Berhad

ENVIRONMENTAL & ECONOMIC TRANSFORMATION
(RIMBA TERJUN, JOHOR)

Environmental Transformation

PRE-CLOSURE

POST-CLOSURE

Economic Transformation

Rimba Terjun Renewable Energy Park at a glance:

• Installed Capacity	: 2MW (Solar)
• Project Owner	: Rentak Raya Sdn Bhd
• Project Developer	: Cypark Renewable Energy Sdn Bhd
• Project Turnkey Contractor	: Cypark Renewable Energy Sdn Bhd
• Project Operator	: Cypark Renewable Energy Sdn Bhd
• Solar Film Technology	: Crystalline
• Power Purchaser	: Tenaga Nasional Berhad
• Facility Saiz	: 14 Acres Safely Closed Non Sanitary Landfill
• Environmental Safe Closure Design, Engineering & Technology	: Cypark Resources Berhad

ENVIRONMENTAL & ECONOMIC TRANSFORMATION
(BUKIT PALONG, NEGERI SEMBILAN)

Environmental Transformation

PRE-CLOSURE

POST-CLOSURE

Economic Transformation

Bukit Palong Integrated Renewable Energy Park at a glance:

- Installed Capacity : 3 MW (Solar)
  0.5 MW + 0.5 MW (Biogas)
- Project Owner : Gaya Dunia Sdn Bhd
- Project Developer : Cypark Renewable Energy Sdn Bhd
- Project Turnkey Contractor : Cypark Renewable Energy Sdn Bhd
- Project Operator : Cypark Renewable Energy Sdn Bhd
- Solar Film Technology : Crystalline
- Power Purchaser : Tenaga Nasional Berhad
- Facility Saiz : 25 Acres Safely Closed Non Sanitary Landfill
- Environmental Safe Closure Design, Engineering & Technology : Cypark Resources Berhad

ENVIRONMENTAL & ECONOMIC TRANSFORMATION
(PAJAM, NEGERI SEMBILAN)

Environmental Transformation

PRE-CLOSURE

POST-CLOSURE

Economic Transformation

Pajam Integrated Renewable Energy Park at a glance:

- Installed Capacity : 8 MW (Solar)
- Current Status : Fully Operational Installation
  - Country's First Integrated Renewable Energy Park
  - Country's First Solar Farm with Grid Connection
  - Country's First Environmental and Economic Transformation of Non Sanitary Landfill
- Project Owner : Cypark Suria (Pajam) Sdn Bhd
- Project Developer : Cypark Renewable Energy Sdn Bhd
- Project Turnkey Contractor : Cypark Renewable Energy Sdn Bhd
- Project Operator : Cypark Renewable Energy Sdn Bhd
- Solar Film Technology : Crystalline
- Power Purchaser : Tenaga Nasional Berhad
- Facility Saiz : 60 Acres Safely Closed Non Sanitary Landfill
- Environmental Safe Closure Design, Engineering & Technology : Cypark Resources Berhad

CORPORATE GOVERNANCE STATEMENT

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 shareholders' value and the financial position of the Group. The Board has always been vigilant of the fiduciary duties entrusted upon the Board as a guiding principle in discharging its duties.

The Board recognizes the importance of good corporate governance and fully supports the principles and best practices promulgated in the Malaysian Code on Corporate Governance 2012 ("the Code") to enhance business prosperity and maximize shareholders' value. The Board will continuously evaluate the Group's corporate governance practices and procedures, and where appropriate will adopt and implement the best practices as enshrined in the Code to the best interest of the shareholders of the Company. As such, the Board plays a primary role in ensuring that good corporate governance is being practiced.

Below is a statement and description in general on how the Group has applied the principles and complied with the best practice provisions as laid out in the Code throughout the financial year ended 31 October 2012 pursuant to Paragraph 15.25 of the Main Market Listing Requirements ("MMLR")of Bursa Malaysia Securities Berhad.

BOARD OF DIRECTORS

Board Compositions

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".

Board Balance

Yg Bhg Tan Sri Razali bin Ismail, a Non-Independent Executive Director, chairs the Board while the position of Group Chief Executive Officer is held by Encik Daud bin Ahmad. There is a clear division of responsibilities between the two roles to ensure that there is a balance of power and authority. The Group Chief Executive Officer has the principal and primary responsibility of reporting, clarifying and communicating matters to the Board. All four (4) Independent Non-Executive Directors who represents 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) Non-Independent Executive Directors bring with them a wide range of business experiences, financial, economics, 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 administrations within the Group. The said Executive Directors are responsible for implementing the policies and decisions of the Board, overseeing the operations as well as coordinating the development and implementation of business and corporate strategies.

CORPORATE GOVERNANCE STATEMENT

There is proper balance in the Board with the presence of the four (4) Independent Directors of 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 has identified Dato' Dr. Freezailah bin Che Yeom to be the Senior Independent Non-Executive Director to whom concerns may be conveyed by shareholders and the general public.

Board Meetings

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.

Formal notices, agendas, papers and reports are supplied to the Board in a timely manner, 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's approval through the circulation of the Directors' Resolutions passed pursuant to the relevant Articles of Association of the Company.

The requisite quorum for Board meetings are two (2) members as set out in the Articles of Association, 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 seven (7) times during the financial year ended 31 October 2012 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 2012 was as follow:-

Directors	**Attendance**
Tan Sri Razali bin Ismail	7 out of 7
Daud bin Ahmad	7 out of 7
Dato' Dr. Freezailah bin Che Yeom	6 out of 7
Headir bin Mahfidz	7 out of 7
Megat Abdul Munir bin Megat Abdullah Rafaie *(Appointed w.e.f. 1 August 2012)*	1 out of 1
Datuk Abdul Malek bin Abdul Aziz *(Appointed w.e.f. 19 September 2012)*	1 out of 1
Siow Kwang Khee *(Resigned w.e.f. 31 July 2012)*	3 out of 5
Hasan bin Haji Hamzah *(Resigned w.e.f. 9 July 2012)*	4 out of 5

CORPORATE GOVERNANCE STATEMENT

Duties and Responsibilities of the Board

The Board provides effective leadership and manages 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, provides advice, reviews and approves strategies formulated by the management and deliberates on business development issues while providing balance to the management of the Company.

The Board is responsible for the following:-

- setting and monitoring objectives, goals and strategic directions for management;
- over-seeing the conduct of the Company's business to evaluate whether the business is being properly managed;
- assessing and approving major capital expenditure including significant disposals or acquisitions (if any) of properties;
- ensuring significant risks are appropriately managed and regularly reviewed and monitored;
- identifies principal risk and review and if appropriate, ensure the implementation of adequate systems to manage these risks;
- succession planning, including appointing, training, determining the compensation of and where relevant or appropriate, replacing senior management if necessary;
- ensuring adherence to relevant compliances with laws and regulations and disclosure regimes;
- 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; and
- overseeing the development and implementation of shareholders' communications policy.

Board of Committees

i. Audit Committee

The Board is currently assisted by the Audit Committee whose Terms of Reference are summarised as set out in the ensuing pages under the heading of "Audit Committee Report". In accordance with the best practices of the Code, the Board acknowledges and recognises the importance of having to establish three (3) other committees, i.e. the Nomination Committee, Remuneration Committee and Risk Management Committee.

ii. Nomination Committee

As at the financial year ended 31 October 2012, the Nomination Committee comprises three (3) Independent Non-Executive Directors. The Nomination Committee is responsible for proposing new nominees, if required, for the Board's approval and appointment and assessing existing Directors on a current and also 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 Committee.

The members of the Nomination Committee are :-

Dato' Dr. Freezailah bin Che Yeom	Chairman, Independent Non-Executive Director
Headir bin Mahfidz	Member, Independent Non-Executive Director
Megat Abdul Munir bin Megat Abdullah Rafaie *(appointed w.e.f. 1 August 2012)*	Member, Independent Non-Executive Director
Hasan bin Haji Hamzah *(resigned w.e.f. 9 July 2012)*	Member, Independent Non-Executive Director
Siow Kwang Khee *(resigned w.e.f. 31 July 2012)*	Member, Non-Independent Non-Executive Director

The Nomination Committee shall meet at least once a year as and when deemed fit, necessary and expedient.

iii. Remuneration Committee

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

The members of the Remuneration Committee are:-

Dato' Dr. Freezailah bin Che Yeom	Chairman, Independent Non-Executive Director
Tan Sri Razali bin Ismail	Member, Non-Independent Executive Director
Datuk Abdul Malek bin Abdul Aziz *(appointed w.e.f. 19 September 2012)*	Member, Independent Non-Executive Director
Hasan bin Haji Hamzah *(resigned w.e.f. 9 July 2012)*	Member, Independent Non-Executive Director

The Remuneration Committee shall meet at least once a year and as and when deemed fit, necessary and expedient.

iv. Risk Management Committee

In line with the Code, the Risk Management Committee was established on 1 August 2012 comprising 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 that will promote high asset quality and cost effective solutions to its clients.

The members of the Risk Management Committee are :-

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

The Risk Management Committee shall meet at least four (4) times a year and as and when deemed fit, necessary and expedient.

The Board of Directors had appointed an external risk consultant for the purpose of evaluating and preparing a risk management framework, setting up a risk management process and risk plan for the company.

Directors' Remuneration

The remunerations of the Executive Directors were determined fairly based on the performance and the profitability of the Group as a whole. The Directors' remuneration is at the discretion of the Board, taking 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 is a matter of the Board as a whole. The level of remuneration for Non-Executive Directors reflects the amount paid by other comparable organizations, 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 decided by the Board with the Director concerned abstaining from deliberations and voting on decisions in respect of his individual remuneration.

Directors' fees paid to Non-Executive Directors during the financial year ended 31 October 2012 had been approved by the shareholders at the Seventh Annual General Meeting held on 23 April 2012. The Non-Executive Directors do not participate in decisions on their own remuneration package. In addition, the Company has also undertaken steps in reimbursing reasonable out-of-pocket expenses incurred by all the Directors in the course of their duties as Directors of the Company.

Remuneration paid or payable or otherwise made available to all Directors of the Company who have served during the financial year ended 31 October 2012 is tabulated as follows:-

	Executive Directors (RM)	Non-Executive Directors (RM)	Total (RM)
Salaries & other emoluments	1,252,000	-	1,252,000
Fees	-	301,097	301,097
Benefit in kind/others	701,163	-	701,163

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 :-

	Number of Directors	
Range of Remuneration	**Executive**	**Non-Executive**
RM0 – RM50,000	-	3
RM50,001 – RM100,000	1	2
RM500,001 – RM600,000	1	-
RM700,001 – RM800,000	1	-

Re-election of Directors

One third (1/3) of the Board members, including the Executive Chairman and Group Chief Executive Officer who are Non-Independent Executive Directors are required to retire by rotation at least once in every three (3) years at the Annual General Meeting and where eligible, be subject to re-election by the shareholders. Newly appointed Directors shall hold office until the next Annual General Meeting and shall then be eligible for re-election by the shareholders.

CORPORATE GOVERNANCE STATEMENT

Encik Megat Abdul Munir bin Megat Abdullah Rafaie, who was newly appointed during the financial year ended 31 October 2012, shall, in accordance with Article 91 of the Articles of Association, retire at the forthcoming Annual General Meeting and being eligible, be subjected to re-election at the forthcoming Eighth Annual General Meeting.

In accordance with Article 84 of the Articles of Association, Encik Headir bin Mahfidz shall retire by rotation and be subjected to re-election at the forthcoming Eighth Annual General Meeting.

Pursuant to Section 129(6) of the Companies Act, 1965, Tan Sri Razali bin Ismail, Dato' Dr. Freezailah bin Che Yeom and Datuk Abdul Malek bin Abdul Aziz, who are over seventy (70) years of age, shall be subject to re-appointment at the forthcoming Eighth Annual General Meeting.

Directors' Access to Information and Advice

All Directors have full and timely access to information concerning the Company and the Group. They are entitled to the information of the Company to enable them to carry out their duties effectively as Directors. The Board members have access to the advice and services of the Secretaries and the Senior Management staff in the Group and all information in relation to the Group whether as a full Board or in their individual capacity to assist them in the furtherance of their duties and responsibilities. Where necessary, the Directors may engage independent professionals at the Group's expense on specialized issues to enable the Board to discharge its duties with adequate knowledge on the matters being deliberated.

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 will ensure that all their members undergo the necessary training programmes as prescribed by the regulatory and statutory bodies. To date, all the Directors of the Company had attended and completed the Mandatory Accreditation Programme (MAP) as prescribed by the MMLR.

The Directors are 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 cognizant of commercial opportunities and risks as well as to be adequately equipped to execute judicious decision-making.

The training programmes, seminars and/or forums which were attended by the Directors either individually or collectively were as follows:-

- National Conference of Corporate Social Responsibility and Social Business – "CSR and Climate Change – Addressing the Key Issues and Challenges of Sustainability"
- Corporate Responsibility Conference 2012 – "Cause Related Marketing and Social Environment Engagement"
- Business Networking
- Renewable Energy World Asia Conference
- Directors' Obligations under the Main Listing Requirements of Bursa Malaysia Securities Berhad
- 2013 Budget Tax Briefing

- Corporate Directors Advance Programme (CDAP) – Finance for Non-Finance Directors 2012
- Bursa Malaysia Half Day Governance Programme – Role of Audit Committee
- Malaysian Code on Corporate Governance 2012
- Malaysian Institute of Accountants (MIA) Conference 2012
- International Sustainable Energy Summit (ISES)
- 2013 Budget Seminar – Highlights on Tax Changes and Its Implications on Business
- National Tax Seminar 2012
- National Tax Conference 2012
- Implementing Audit Quality Control 2012
- Directors' Obligations under the Main Listing Requirements of Bursa Malaysia Securities Berhad
- SSM National Conference 2012
- Transfer Pricing Seminar 2012 – Introduction to Rules and New Guidelines
- Seminar on Money Laundering
- Labuan Leasing Symposium
- Labuan IBFC Hong Kong Seminar
- IGEM Seminar (International Greentech & Eco Products)
- Seminar & Business Networking (organised by MIDA)
- RE (Renewable Energy) World Asia Conference (Bangkok)
- The International Sustainable Energy Summit
- FEPA (Financing Energy Projects in Asia) Conference (Singapore, organised by Thomson Reuters NY

In addition, the Board was briefed at each Board meeting on significant changes in laws and regulations that were relevant by the Secretaries.

INVESTORS' RELATION AND SHAREHOLDERS' COMMUNICATION

Investors' Relation

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, including investors are well informed, information is disseminated through various disclosures and announcements to Bursa Malaysia Securities Berhad. 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 and the Secretaries, who report directly to the Executive Chairman and the Group Chief Executive Officer.

CORPORATE GOVERNANCE STATEMENT

Annual General Meeting

The Company conducts Annual General Meetings 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 Annual General Meeting, 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 Chief Executive Officer, the Non-Executive Directors, the Group Financial Controller and the Secretaries will be available to respond to the shareholders' queries during the Meeting.

Shareholders and members of the general public are invited to access to the Bursa Malaysia Securities Berhad's website at www.bursamalaysia.com or the Company's website at www.crbenv.com to obtain the latest announcements, financial results and performance and information of the Company and its Group.

ACOUNTABILITY AND AUDIT

Financial Reporting

In addition to providing financial 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 scrutinizing information for disclosure to ensure accuracy, adequacy and completeness of all relevant information for disclosure.

Internal Control

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

Relationship with Auditors

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 Malaysia. The Company's Audit Committee Report and the summary of its Terms of References are set out in the section under the heading of "Audit Committee Report".

STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE

The Company is committed to achieving high standards of corporate governance throughout the Group and to the highest level of integrity and ethical standards in all its business dealings. Pursuant to Paragraph 15.25 (b) of the MMLR, the Board considers that the Group has complied throughout the financial year ended 31 October 2012 with the Best Practices as set out in the Code.

This Statement is made in accordance with a resolution of the Board of Directors passed on 8 March 2013.

AUDIT COMMITTEE REPORT

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

MEMBERS 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 *(appointed w.e.f. 1 August 2012)*	Member, Independent Non-Executive Director
Encik Hasan bin Haji Hamzah *(resigned w.e.f. 9 July 2012)*	Member, Independent Non-Executive Director

TERMS OF REFERENCE

Composition

The Board shall appoint the Audit Committee members from amongst themselves, comprising no fewer than three (3) members, all of whom shall be non-executive directors, where the majority shall be independent directors.

All members of the Audit Committee should be financially literate and at least one (1) member:-

- shall be a member of the Malaysian Institute of Accountants ("MIA"); or
- if he is not a member of the MIA, he must have at least 3 years of working experience and:
  - i. he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
  - ii. he must be a member of one (1) of the associations of the accountants specified in Part II of the First Schedule of the Accountants Act 1967.
- fulfills such other requirements as prescribed by Bursa Malaysia Securities Berhad.

No alternate director shall be appointed as a member of the Audit Committee. In the event of any vacancy in the Audit Committee resulting in the non-compliance with its composition as above, the Board shall within three (3) months of the event appoint such number of the new members as may be required to fill the vacancy.

Chairman

The members of the Audit Committee shall elect a Chairman from amongst their number who shall be an independent Non-Executive Director.

Secretary

The Secretary(ies) of the Audit Committee shall be the Company Secretary(ies).

AUDIT COMMITTEE REPORT

Terms of Office

The Board of Directors of the Company shall review the term of office and performance of the Audit Committee and each of its members at least once in every three (3) years.

Meetings

The Audit Committee shall meet regularly, with due notice of issues to be discussed, and shall record its conclusions in discharging its duties and responsibilities. In addition, the Chairman may call for additional meetings at any time at the Chairman's discretion.

Upon the request of the external auditors, the Chairman of the Audit Committee shall convene a meeting of the Audit Committee to consider any matters the external auditors believe should be brought to the attention of the directors or shareholders.

Notice of Audit Committee meetings shall be given to all the Audit Committee members unless the Audit Committee waives such requirement.

The Chairman of the Audit Committee shall engage on a continuous basis with senior management such as the Chairman of the Board, the Group Chief Executive Officer and the Group Financial Controller, the internal auditors and the external auditors in order to be kept informed of matters affecting the Company.

The Group Financial Controller and a representative of the internal and external auditors respectively should normally attend meetings. Other Board members and employees may attend meetings upon the invitation of the Audit Committee. However, the Audit Committee shall meet with the external auditors without executive Board members present at least twice a year and whenever necessary.

Questions arising at any meeting of the Audit Committee shall be decided by a majority of votes of the members present, and in the case of equality of votes, the Chairman of the Audit Committee shall have a second or casting vote.

Minutes

Minutes of each meeting shall be kept at the registered office and distributed to each member of the Audit Committee and also to the other members of the Board. The Audit Committee Chairman shall report on each meeting to the Board.

Quorum

The quorum for the Audit Committee meeting shall be the majority of members present whom must be Independent Directors.

Objectives

The principal objectives of the Audit Committee are to assist the Board of Directors in discharging its statutory duties and responsibilities relating to accounting and reporting practices of the holding company and each of its subsidiaries. In addition, the Audit Committee shall:

- evaluate the quality of the audits performed by the internal and external auditors;
- provide assurance that the financial information presented by management is relevant, reliable and timely;
- oversee compliance with laws and regulations and observance of a proper code of conduct; and
- determine the quality, adequacy and effectiveness of the Group's control environment.

AUDIT COMMITTEE REPORT

Authority

The Audit Committee shall, in accordance with a procedure to be determined by the Board of Directors and at the expense of the Company,

(a) investigate any activity within its terms of reference.

(b) have full and unlimited/unrestricted access to all information and documents/resources.

(c) obtain other independent professional advice or other advice and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary.

(d) have direct communication channels with the internal and external auditors.

(e) promptly report any matter reported to the Board that has not been satisfactorily resolved resulting in a breach of the Listing Requirements to Bursa Securities.

Duties and Responsibilities

The key duties and responsibilities of the Audit Committee are as follows:-

(a) To consider the appointment of the external auditors, the audit fee and any question of resignation or dismissal;

(b) To establish policies governing the circumstances under which contracts for the provision of non-audit services can be entered into and procedures that must be followed by the external auditors;

(c) To discuss with the external auditors the nature and scope of the audit, system of internal controls, management letter and responses and any matter the auditor may wish to discuss;

(d) To review the quarterly and year-end financial statements of the Company and the Group before submission to the Board, focusing particularly on:–
- any change in accounting policies and practices
- significant adjustments arising from the audit
- the going concern assumption
- compliance with applicable financial reporting standards and other legal requirements

(e) To do the following, in relation to the internal audit function:-

- review the adequacy of the scope, function, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work
- review the internal audit programme and results of the internal audit process and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function
- review the internal audit plan, consider the internal audit reports and findings of the internal auditors, fraud investigations and actions and steps taken by Management in response to audit findings
- review any appraisal or assessment of the performance of members of the internal audit function
- approve any appointment or termination of internal auditors

(f) To consider any related party transactions and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;

(g) To report its findings on the financial and management performance, and other material matters to the Board;

AUDIT COMMITTEE REPORT

(h) To consider major findings of internal investigations and management's response;

(i) To verify the allocation of Employees' Share Option Scheme ("ESOS") in compliance with the criteria as stipulated in the by-laws of ESOS of the Company;

(j) To review the adequacy and effectiveness of risk management, internal control and governance systems;

(k) To consider other topics as defined by the Board; and

(l) To consider and examine such other matters as the Audit Committee considers appropriate.

Frequency and Attendance of Meetings

The Audit Committee shall meet as the Chairman decides and deems necessary but not less than four (4) times in a financial year. The meeting will normally be attended by the members of the Committee and the Group Financial Controller, who is primarily charged with the duties, functions and responsibilities of the Group's finance. The presence of the external auditors will be requested, if required and the external auditors may also request a meeting if they consider it necessary.

During the financial year ended 31 October 2012, there were six (6) meetings held. The details of the attendance of each member are as follows :-

Audit Committee Members	No. of meetings attended
Dato' Dr. Freezailah bin Che Yeom	5 out of 6
Encik Headir bin Mahfidz	6 out of 6
Encik Megat Abdul Munir bin Megat Abdullah Rafaie *(Appointed w.e.f. 1 August 2012)*	2 out of 2
Encik Hasan bin Haji Hamzah *(Resigned w.e.f. 9 July 2012)*	3 out of 3

Summary of Duties and Activities of the Committee

During the financial year ended 31 October 2012, the Committee has discharged its duties and functions effectively and the activities carried out by the Audit Committee included, among others, the following:-

a. reviewed the audited financial statements of the Group for the financial year ended 31 October 2012 prior to the Board's approval for release to Bursa Malaysia Securities Berhad;

b. reviewed the unaudited quarterly reports on the consolidated results and financial statements and financial results prior to tabling of the same to the Board for approval;

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

d. reviewed the year end financial statements of the Company and the Group, prior to their approval of the Board, focusing in particular on the following :-
   i. changes in or implementation of any major accounting policies, if any
   ii. significant and unusual events, if any and
   iii. compliance with accounting standards, regulatory and other legal requirements;

e. discussed and reviewed 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 and the scope of work and audit plan of the Company and its Group for the financial year ended 31 October 2012 and discussed any significant issues and concerns arising from the audit;

AUDIT COMMITTEE REPORT

f. deliberated on major issues the external auditors raised, and to review the financial statements to which the Committee would focus on the changes in accounting policies, if any and accounting practices, significant adjustments arising from the audit, the going concern assumptions, compliance with the accounting standards and other legal requirements and compliances with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and problems and reservations arising from the interim and final external audits, if any;

g. reviewed the external audit reports and assessed the auditor's findings and the management's responses thereto and thereafter, made the necessary recommendations/changes to the Board of Directors for their approval;

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

i. evaluated the performance of the external auditors for recommendation to the Board on their re-appointment and to determine their audit fees;

j. reviewed 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;

k. reviewed the internal audit plan and reports presented on the state of internal control of the Group;

l. advised the Group on the implementation of its Standard Operating Policies and Procedures covering areas of sales administration, procurement, purchasing, project management and implementation, etc; and

m. discussed and ensure the external auditors' review of the Statement on Internal Control of the Group for inclusion in the Annual Report for the year 2012.

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 Company and the Groups' internal control system. The costs incurred for maintaining the outsourced internal audit function for the financial year ended 31 October 2012 amounted to RM60,000.

A summary of the activities of the internal audit function for the financial year ended 31 October 2012 is as follows:-

(a) Evaluation of the Group's internal control systems in the areas of mapping out the business processes on the scope defined, performing a system of controls evaluation on high-risk areas within the business processes and reviewing the overall control environment where there is a significant amount of implementation lapses;

(b) Review of the accounting records;

(c) Presentation of audit findings and corrective actions to be taken by Management in the quarterly Audit Committee meetings; and

(d) Conducted follow-up audits to ensure corrective actions had been taken.

STATEMENT OF INTERNAL CONTROL

Introduction

The Main Market Listing Requirements of the Bursa Malaysia Securities Berhad ("Bursa Securities") requires a listed company to ensure that its Board of Directors include a statement in the Annual Report on the state of the internal control of the listed company as a Group. The Malaysian Code on Corporate Governance requires that the Board of Directors should maintain a sound system of internal control within its Group, covering all its financial and operating activities, and review its effectiveness to safeguard shareholders' investments, customers' interests and the Group's assets. In view of this, the Board of Directors of Cypark Resources Berhad is pleased to provide the following statement on the state of the internal control of the Group as a whole for the financial year ended 31 October 2012, which has been prepared in accordance with the Statement on Internal Control : Guidance for Directors of Public Listed Companies ("Guidance") issued by The Institute of Internal Auditors Malaysia and adopted by Bursa Securities.

The Bursa Securities' Guidance provides guidance for compliance by a listed company with these requirements. Below is the Board's Internal Control Statement, which has been prepared in accordance with the Guidance.

Board Responsibility

The Board acknowledges its responsibilities and reaffirms its commitments for the maintenance of an effective system of internal control and risk management practices for the Group's sound system of internal control to enhance good corporate governance, covering not only operational, financial and compliance controls as a safeguard to the assets of the Group and shareholders' investments. The internal control system which involves key management and the Board is designed to meet the Group's particular needs and to evaluate, manage and control risks faced by the Group, appropriately, rather than eliminate the risk of failure to achieve business objectives and it can provide reasonable, but not absolute assurance against material misstatement, loss or fraud. Due to the ever changing circumstances and conditions, the effectiveness of an internal control system may vary over time. The Board is of the view that the system of internal control currently in place throughout the Group is sufficient to safeguard the Group's interest.

Risk Management

The Board is aware of and recognizes the various types of risks inherent in the businesses of the Group as well as their possible financial impact. As such, the Board has recently established an ongoing process for identifying, minimizing, managing and monitoring the significant risks faced by the Group. The Management is responsible for creating risk awareness and to build the necessary environment for effective risk management. The Board has extended the responsibilities of the Audit Committee to include the work of monitoring internal controls on behalf of the Board, including identifying risk areas, highlighting and communicating to the Board, the significant and critical issues and risk areas faced by the Group as a whole Additionally, the Board had also appointed external service provider to assist the group in developing the Risk Management Framework and Key Risk Profile in year 2012 accordingly.

Internal Control

The Board maintains full control over the strategic, financial and organizational issues. It has put in place an organization structure with clear and formal lines of responsibility and delegation of authority being defined. The Board has delegated to the executive management, the implementation of the systems of internal control. The system of internal control ensures the reliability of financial reporting, effectiveness and efficiency of operations and compliance to rules and regulations.

STATEMENT OF INTERNAL CONTROL

The Board relies largely on the close involvement of the Executive Directors of the Group in its daily operations. There are periodic reviews of operational and financial performances at the Management, Audit Committee and Board Meetings. The Board and Management ensure that appropriate measures and steps are taken to address any significant issues and risks. There are also procedures for strategic planning and operations. The Board reviews the systems of internal control regularly. To assist the Board in the review of its internal control systems, the Audit Committee set-up by the Board comprises three (3) Independent Non-Executive Directors, one of whom chairs the Audit Committee. Pursuant to the Terms of Reference of the Audit Committee, the members are required to meet regularly to carry out its duties and functions effectively. The Audit Committee reviews the quarterly reports, the statutory financial statements and reporting and the external audit reports as well as ensuring legal updates are being highlighted and followed through. The Group meanwhile is also in the process of reviewing the adequacy and integrity of its current system of internal control on an annual basis.

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

a. A clear and defined organization structure that is aligned to the business and operational requirements of the core businesses of the Group which limits the respective levels of authority, accountability and responsibility of their job functions and specifications;

b. Documentation of standard operating procedures and ensuring that internal policies, processes and procedures are drawn-up, reviewed and revised as and when required and necessary;

c. Regular operational and financial reporting to the Senior Management and/or the Board, highlighting their progress and variances from budgets. The Audit Committee and the Board review quarterly operational as well as financial results and reports;

d. Regular Group Management meetings are held as and 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 prepares the Audit Committee Report and also reviews the quarterly financial results and yearly Audited Financial Statements prior to the approval of the Board;

g. Management ensures that safety working regulations within the Group are being considered, implemented and adhered to accordingly;

h. As and when necessary, staff training and development programs may be provided to equip staff with the appropriate knowledge and skills to enable staff to carry out their job functions productively and effectively;

i. Adequate insurance of major assets to ensure that assets of the Group are sufficiently covered against mishap that may results material losses to the Group; and

j. Regular visits to the project sites by senior management.

STATEMENT OF INTERNAL CONTROL

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 2012, the internal audit function carried out an 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 quarterly meetings. The internal audit function also carried out 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.

Other Risks and Control Processes

The business processes and internal controls of the Group are continually monitored, to ensure statutory compliance and maintain data integrity. The effectiveness of the internal control system is reviewed regularly. Some weaknesses were identified during the year, some of which had been, and the rest are being addressed. None of the weaknesses has resulted in any material losses, contingencies or uncertainties that would require disclosure in the Annual Report. The Board, together with the Management, is taking relevant and necessary measures and steps for continuous improvement of the Group's internal control environment.

In assessing the adequacy and effectiveness of the system of internal control and accounting control procedures of the Group, the Audit Committee reports to the Board on significant results, findings and the necessary recommendations.

The Board is satisfied that, during the year under review, there is continuous process in identifying, evaluating and managing significant issues and risks faced by the Group. The Board is of the opinion that the existing system of internal control is adequate to achieve the Group's objectives.

This statement is made in accordance with a resolution of the Board of Directors passed on 8 March 2013.

OTHER COMPLIANCE INFORMATION

Share Buyback

During the financial year ended 31 October 2012, there were no share buybacks undertaken by the Company. The general mandate to obtain shareholders' approval for share buybacks will be sought at the forthcoming Annual General Meeting as stated in the Circular to Shareholders dated 26 March 2013 attached to this Annual Report.

Exercise of Options, Warrants or Convertible Securities

During the financial year ended 31 October 2012, 6,578,000 share options were granted pursuant to the Employees' Share Option Scheme ("ESOS"). Please see below for more information on the ESOS.

Depository Receipt Program

During the financial year ended 31 October 2012, the Company did not sponsor any Depository Receipt Program.

Imposition of Sanctions and/or Penalties

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, on the Directors or Management by the relevant regulatory bodies and authorities.

Non-Audit Fees

During the financial year ended 31 October 2012, there was no non-audit fees paid to the external auditors of the Company for services rendered to the Cypark's Group of Companies.

Profit Estimate, Forecast or Projection

The Company did not make any release on the profit estimate, forecast or projections for the financial year ended 31 October 2012.

Profit Guarantee

During the financial year ended 31 October 2012, there was no profit guarantee given by the Company.

Material Contracts Involving Directors' and Major Shareholders' Interests

The Board has ensured that as at the end of the financial year ended 31 October 2012 that there were no existing material contracts of the Company and its subsidiaries involving directors and substantial shareholders, either still subsisting at the end of the financial year or entered into since the end of the previous financial year.

Material Litigations

The pending material litigations existing as at to date are as disclosed and stated in the Circular/Statement to Shareholders dated 26 March 2013 as attached to this Annual Report.

Revaluation Policy on Landed Property

The Company and its Group presently do not own any real properties. As such, there is no requirement to adopt any such Revaluation Policy.

OTHER COMPLIANCE INFORMATION

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 as defined under Section 122A of the Companies Act, 1965 are set out in Note 30 of the Financial Statements of this Annual Report and also as disclosed and stated in the Circular/Statement to Shareholders dated 26 March 2013 attached to the Annual Report wherein the Company is seeking for the renewal of shareholders' existing mandate for the recurrent related party transactions of a revenue or trading in nature for the period from the date of the forthcoming Annual General Meeting to the following Annual General Meeting of the Company.

Conflict of Interest

None of the Directors or major shareholders of the Company has any interest, direct or indirect, in any business carrying on a similar trade as the Company or its subsidiaries and which is not quoted on a stock exchange. There is no conflict between the Group and its Adviser, Reporting Accountants and Solicitors. The Adviser, Reporting Accountants and Solicitors are paid a fee for their services.

ESOS

The Group has two (2) ESOS in existence during the year ended 31 October 2012 and the said ESOS is governed by the By-Laws approved by the shareholders at an Extraordinary General Meeting held on 22 September 2010. The information in relation to the ESOS, is as follows:-

Details	2011 Options	2010 Options
Total options or shares outstanding as at 1 November 2011	-	3,650,000
Total number of options or shares granted during the year	6,578,000	-
Total number of options exercised or shares vested	(257,500)	(175,000)
Total options or shares outstanding as at 31 October 2012	6,320,500	3,475,000
Granted to Executive Directors and Senior Management		
Total options or shares outstanding as at 1 November 2011	-	3,200,000
Total number of options or shares granted during the year	5,000,000	-
Total number of options exercised or shares vested	-	-
Total options or shares outstanding as at 31 October 2012	5,000,000	3,200,000
Granted to Executive Directors and Senior Management		
Aggregate maximum allocation in percentage	50%	50%
Actual percentage granted	20.8%	14.7%

Notes:
- *Non-Executive Directors are not entitled to the ESOS pursuant to the By-Laws of the ESOS.*
- *2010 Options commenced on 3 November 2010 while 2011 Options commenced on 5 January 2012. Both options will expire on 13 October 2015.*

Corporate Responsibility

For year ended 31 October 2012, Cypark had contributed a total of RM576,895 to implement numerous Corporate Responsibility activities. The objectives of the activities undertaken are to educate stakeholders on the importance of renewable energy and its contribution towards ensuring a sustainable environment. Activities carried out successfully in year 2012 include Tree Planting Program, Earth Day activities, Composting Program and many more as illustrated from page 20 – 23 of our Corporate Responsibility section.

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Board of Directors is required under Paragraph 15.26 (a) of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad to issue a statement explaining their responsibility for preparing the Annual Audited Financial Statements.

In relation to the Annual Audited Financial Statements, the Company's and the Group's financial statements are drawn up in accordance with the applicable approved accounting standards in Malaysia and the Malaysian Companies Act, 1965. The Board of Directors is responsible to ensure that the financial statements of the Company and the Group give a true and fair view of the affairs of the Company and its Group. The Statement by the Directors pursuant to Section 169(15) of the Malaysian Companies Act, 1965 is set out in the section headed "Statement by Directors" of the Directors' Report and Audited Financial Statements of the Company for the financial year ended 31 October 2012.

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

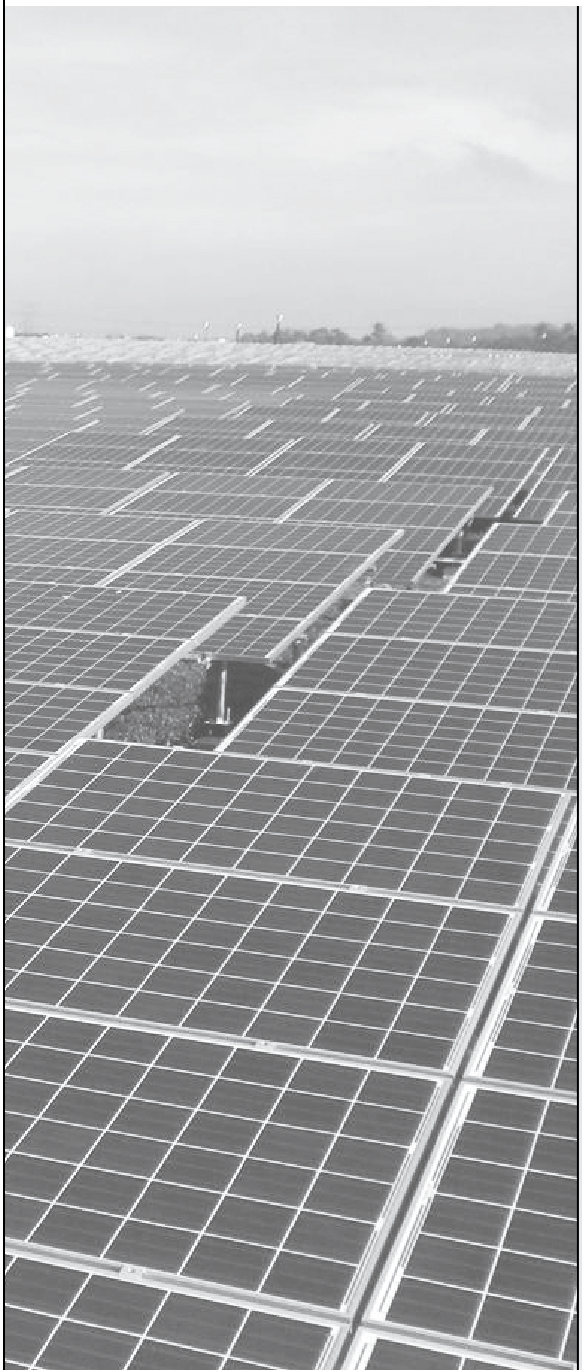
- adopted appropriate, adequate and applicable accounting standards and policies and applied them consistently;
- ensured that applicable approved accounting standards have been followed;
- where applicable, judgments and estimates were made on a reasonable and prudent basis; and
- upon due inquiry into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

The Board had also ensured that the Quarterly and Annual Audited Financial Statements of the Company and the Group were released to the 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 is responsible for ensuring that the Company maintains accounting records that disclose with reasonable accuracy the financial position of the Company, and which enable them to ensure the financial statements comply with the Companies Act, 1965.

The Board has general responsibility for taking such steps that are reasonably available to them to safeguard the assets of the Company, and to prevent and detect fraud and other irregularities.

FINANCIAL STATEMENTS



DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 October 2012.

Principal activities

The Company is an investment holding company. The Company is also principally involved in the closure and restoration of landfills located in various locations throughout West Malaysia.

The principal activities of the subsidiaries are disclosed in Note 15 to the financial statements.

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

Results

	Group RM	Company RM
Profit from continuing operations, net of tax	25,611,212	1,207,375
Loss from discontinued operation, net of tax	(32,811)	-
Profit net of tax, attributable to owners of the parent	25,578,401	1,207,375

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the Directors, 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.

Dividends

The amounts of dividends paid by the Company since 31 October 2011 were as follows:

	RM
In respect of the financial year ended 31 October 2011 as reported in the Directors' report of that year:	
First and final tax exempt (single-tier) dividend of 3.75 sen per share on 159,837,500 ordinary shares, declared on 23 April 2012 and paid on 15 June 2012.	5,993,906

At the forthcoming Annual General Meeting, a final tax exempt (single-tier) dividend in respect of the financial year ended 31 October 2012 of 4.00 sen per share on 159,957,500 ordinary shares, amounting to a dividend payable of RM6,398,300 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 October 2013.

DIRECTORS' REPORT

Directors

The names of the Directors of the Company in office since the date of the last report and at the date of this report are:

Tan Sri Razali Bin Ismail	
Daud Bin Ahmad	
Dato' Dr. Freezailah Bin Che Yeom	
Headir Bin Mahfidz	
Megat Abdul Munir Bin Megat Abdullah Rafaie	(appointed on 1 August 2012)
Datuk Abdul Malek Bin Abdul Aziz	(appointed on 19 September 2012)
Hasan Bin Haji Hamzah	(resigned on 9 July 2012)
Siow Kwang Khee	(resigned on 31 July 2012)

Directors' benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than those arising from the share options granted under the Employees' Share Options Scheme.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors or the fixed salary of a full-time employee of the Company as shown in Note 8 to the financial statements) by reason of a contract made by the Company or a related corporation with any 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, except as disclosed in Note 30 to the financial statements.

Directors' interests

According to the register of Directors' shareholdings, the interests of Directors in office at the end of the financial year in shares and options over shares in the Company and its related corporations during the financial year were as follows:

	← Number of ordinary shares of RM0.50 each →			
	1.11.2011/ Date of appointment	**Bought**	**Sold**	**31.10.2012**
Name of Director				
Direct interest:				
Ordinary shares of the Company				
Tan Sri Razali bin Ismail	46,325,600	-	-	46,325,600
Daud bin Ahmad	12,719,400	-	-	12,719,400
Dato' Dr. Freezailah bin Che Yeom	100,000	-	-	100,000
Headir bin Mahfidz	25,000	-	-	25,000
Megat Abdul Munir bin Megat Abdullah Rafaie	20,000	-	-	20,000
Datuk Abdul Malek bin Abdul Aziz	11,000	-	-	11,000

DIRECTORS' REPORT

Directors' interests (cont'd)

	Number of options over ordinary shares of RM0.50 each			
	1.11.2011	**Granted**	**Exercised**	**31.10.2012**
Name of Director				
Share options of the Company				
Daud bin Ahmad	1,400,000	2,000,000	-	3,400,000

Tan Sri Razali bin Ismail by virtue of his interest in shares in the Company is also deemed to be interested in shares in all the Company's subsidiaries to the extent the Company has an interest.

Employee Share Options Scheme

The Cypark Resources Berhad Group's Employees' Share Options Scheme ("ESOS") is governed by the By-Laws approved by the shareholders at an Extraordinary General Meeting held on 22 September 2010.

The salient features and other terms of the ESOS are disclosed in Note 29 to the financial statements.

During the financial year, the Company granted 6,578,000 share options under the ESOS. These options expire on 13 October 2015.

Details of all the options to subscribe for ordinary shares of the Company pursuant to the ESOS as at 31 October 2012 are as follows:-

Expiry date	**Exercise price (RM)**	**Number of options**
13 October 2015	1.10	3,475,000
13 October 2015	1.34	6,320,500
Total		9,795,500

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose the names of option holders, other than Directors, who have been granted options to subscribe for less than 50,000 ordinary shares of RM0.50 each. The names of option holders granted options to subscribe for 50,000 or more ordinary shares of RM0.50 each during the financial year are as follows:-

	← Number of share options →			
Name	**1.11.2011**	**Granted**	**Exercised**	**31.10.2012**
Tan Swee Loon	800,000	3,000,000	-	3,800,000
Achmat Nadhrain Ibrahim	100,000	250,000	-	350,000
Ng Kuan Wah	100,000	250,000	(100,000)	250,000
Sharifah Nor Husniah binti Syed Hussin	50,000	125,000	-	175,000
Tinalene Shaguna A/P Annamalai	50,000	100,000	(25,000)	125,000
Ong Ee Mee	100,000	100,000	(50,000)	150,000
Ibrahim bin Abdul Aziz	-	75,000	(50,000)	25,000
Syed Mohd. Faizal Bin Engku Embong	-	50,000	(50,000)	-
Tan Kian Kee @ Kien Loong	-	50,000	-	50,000

Details of options granted to Directors are disclosed in the section on Directors' Interests in this report.

DIRECTORS' REPORT

Other statutory information

(a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:

  (i) to ascertain that proper 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 all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

  (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the Directors are not aware of any circumstances which would render:

  (i) the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and

  (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

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

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

(e) 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 of the Group or of the Company which has arisen since the end of the financial year.

(f) In the opinion of the Directors:

  (i) 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 will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and

  (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

DIRECTORS' REPORT

Significant event

In addition to the significant events disclosed elsewhere in this report, other significant events are disclosed in Note 38 to the financial statements.

Subsequent events

Details of subsequent events are disclosed in Note 39 to the financial statements.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 25 February 2013.

Tan Sri Razali bin Ismail

Daud bin Ahmad

STATEMENT BY DIRECTORS

Pursuant to Section 169(15) of the Companies Act, 1965

We, Tan Sri Razali bin Ismail and Daud bin Ahmad, being two of the Directors of Cypark Resources Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 56 to 123 are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 October 2012 and of the financial performance and cash flows for the year then ended.

The information set out in Note 41 on page 123 to the financial statements have been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 25 February 2013.

Tan Sri Razali bin Ismail　　　　Daud bin Ahmad

STATUTORY DECLARATION

Pursuant to Section 169(16) of the Companies Act, 1965

I, Daud bin Ahmad, being the Director primarily responsible for the financial management of Cypark Resources Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 56 to 123 are in my opinion 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 Daud bin Ahmad
at Petaling Jaya in the Selangor
on 25 February 2013.　　　　Daud bin Ahmad

Before me,

INDEPENDENT AUDITORS' REPORT

to the members of Cypark Resources Berhad (Incorporated in Malaysia)

Report on the financial statements

We have audited the financial statements of Cypark Resources Berhad, which comprise the statements of financial position as at 31 October 2012 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 year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 56 to 123.

Directors' responsibility for the financial statements

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation of financial statements that give a true and fair view 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 Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 October 2012 and of their financial performance and cash flows of the year then ended.

INDEPENDENT AUDITORS' REPORT

to the members of Cypark Resources Berhad (Incorporated in Malaysia)

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act, 1965 ("Act") in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which is indicated in Note 15 to the financial statements, being financial statements that have been included in the consolidated financial statements.

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

(d) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

Other reporting responsibilities

The supplementary information set out in Note 41 on page 123 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young
AF: 0039
Chartered Accountants

Kua Choh Leang
No.2716/01/15(J)
Chartered Accountant

Kuala Lumpur, Malaysia
25 February 2013

STATEMENTS OF COMPREHENSIVE INCOME

For the financial year ended 31 October 2012

		Group		Company	
		2012	**2011**	**2012**	**2011**
	Note	**RM**	**RM**	**RM**	**RM**
Continuing operations					
Revenue	4	195,801,612	161,530,920	39,891,253	150,907,320
Cost of sales	5	(145,336,423)	(117,750,935)	(27,974,907)	(121,728,675)
Gross profit		50,465,189	43,779,985	11,916,346	29,178,645
Other income		3,136,481	2,229,674	1,153,494	914,805
Administrative expenses		(10,688,345)	(11,751,957)	(7,674,080)	(6,912,568)
Operating profits		42,913,325	34,257,702	5,395,760	23,180,882
Finance costs	6	(8,775,393)	(6,771,311)	(3,764,685)	(4,035,707)
Profit before tax from continuing operations	7	34,137,932	27,486,391	1,631,075	19,145,175
Income tax expense	9	(8,526,720)	(7,234,398)	(423,700)	(5,272,918)
Profit from continuing operations, net of tax		25,611,212	20,251,993	1,207,375	13,872,257
Discontinued operation					
Loss from discontinued operation, net of tax	10	(32,811)	(164,185)	-	-
Profit net of tax		25,578,401	20,087,808	1,207,375	13,872,257
Other comprehensive income:					
Foreign currency translation, representing other comprehensive income for the year, net of tax		-	(6,688)	-	-
Total comprehensive income for the year, attributable to owners of the parent		25,578,401	20,081,120	1,207,375	13,872,257

Group

STATEMENTS OF COMPREHENSIVE INCOME

For the financial year ended 31 October 2012

	Note	2012 RM	2011 RM
Earnings per share attributable to owners of the parent (sen per share)			
- Basic	11	16.59	13.85
- Diluted	11	15.68	13.52
Earnings per share from continuing operations attributable to owners of the parent (sen per share)			
- Basic	11(a)	16.61	13.97
- Diluted	11(a)	15.70	13.63
Loss per share from discontinued operation attributable to owners of the parent (sen per share)			
- Basic	11(b)	(0.02)	(0.12)
- Diluted	11(b)	(0.02)	(0.11)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

For the financial year ended 31 October 2012

		Group		Company	
		2012	**2011**	**2012**	**2011**
	Note	**RM**	**RM**	**RM**	**RM**
Assets					
Non-current assets					
Plant and equipment	12	96,896,523	5,886,880	396,229	25,449
Intangible assets	14	297,316	297,316	-	-
Investment in subsidiaries	15	-	-	41,400,970	41,400,968
Deferred tax assets	16	522,836	150,117	420,487	136,781
Trade receivables	17	2,447,018	1,203,896	486,695	-
		100,163,693	7,538,209	42,704,381	41,563,198
Current assets					
Development cost	13	1,825,890	-	-	-
Trade and other receivables	17	336,543,365	232,372,779	238,915,049	228,127,176
Other current assets	18	465,345	542,067	281,592	29,555
Tax recoverable		1,788,572	-	1,788,572	-
Cash and bank balances	19	79,880,612	76,932,485	42,858,891	41,170,376
		420,503,784	309,847,331	283,844,104	269,327,107
Assets of disposal group classified as held for sale	10	-	23,765,480	-	-
		420,503,784	333,612,811	283,844,104	269,327,107
Total assets		520,667,477	341,151,020	326,548,485	310,890,305
Equity and liabilities					
Current liabilities					
Provision	20	-	1,894,720	-	-
Loans and borrowings	21	144,071,490	114,725,474	117,228,468	75,392,486
Trade and other payables	22	121,798,772	81,245,369	72,775,260	118,951,763
Tax payables		4,201,847	3,888,662	-	2,199,717
		270,072,109	201,754,225	190,003,728	196,543,966
Liabilities of disposal group classified as held for sale	10	-	23,070,772	-	-
		270,072,109	224,824,997	190,003,728	196,543,966
Net current assets		150,431,675	108,787,814	93,840,376	72,783,141

STATEMENTS OF FINANCIAL POSITION

For the financial year ended 31 October 2012

		Group		Company	
	Note	2012 RM	2011 RM	2012 RM	2011 RM
Non-current liabilities					
Loans and borrowings	21	85,366,325	1,282,068	-	-
Retention sum	22	12,273,102	9,344,672	389,462	1,476,351
Deferred tax liabilities	16	324,643	343,422	-	-
		97,964,070	10,970,162	389,462	1,476,351
Total liabilities		368,036,179	235,795,159	190,393,190	198,020,317
Net assets		152,631,298	105,355,861	136,155,295	112,869,988
Equity attributable to equity holders of the Company					
Share capital	23	79,966,250	72,500,000	79,966,250	72,500,000
Share premium	23	34,008,536	15,163,246	34,008,536	15,163,246
Foreign currency translation reserve	24	-	-	-	-
Foreign statutory reserve	25	-	-	-	-
Reverse acquisition reserve	26	(36,700,000)	(36,700,000)	-	-
Employee share option reserve	27	2,106,258	774,714	2,535,012	774,714
Retained earnings	28	73,250,254	53,665,759	19,645,497	24,432,028
Reserve of disposal group classified as held for sale	10	-	(47,858)	-	-
Total equity		152,631,298	105,355,861	136,155,295	112,869,988
Total equity and liabilities		520,667,477	341,151,020	326,548,485	310,890,305

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 October 2012

	Note	← Non-distributable						→	Distributable	
		Share capital RM	Share premium RM	Employee share option reserve RM	Foreign currency translation reserve RM	Foreign statutory reserve RM	Reverse acquisition reserve RM	Reserve of disposal group classified as held for sale RM	Retained earnings RM	Equity, total RM
2012										
Group										
At 1 November 2011		72,500,000	15,163,246	774,714	-	-	(36,700,000)	(47,858)	53,665,759	105,355,861
Total comprehensive income		-	-	-	-	-	-	-	25,578,401	25,578,401
Transactions with owners										
Issue of ordinary shares	23	7,250,000	18,850,000	-	-	-	-	-	-	26,100,000
Share issuance expense	23	-	(418,932)	-	-	-	-	-	-	(418,932)
Exercise of employee share options	27	216,250	414,222	(92,922)	-	-	-	-	-	537,550
Dividends on ordinary shares	37	-	-	-	-	-	-	-	(5,993,906)	(5,993,906)
Grant of equity-settled share options to employees		-	-	1,424,466	-	-	-	-	-	1,424,466
Reserve of disposal group classified as held for sale recycled to profit and loss		-	-	-	-	-	-	47,858	-	47,858
Total transactions with owners		7,466,250	18,845,290	1,331,544	-	-	-	47,858	(5,993,906)	21,697,036
At 31 October 2012		79,966,250	34,008,536	2,106,258	-	-	(36,700,000)	-	73,250,254	152,631,298
2011										
Group										
At 1 November 2010		72,500,000	15,204,519	-	(126,171)	85,001	(36,700,000)	-	37,384,201	88,347,550
Total comprehensive income		-	-	-	(6,688)	-	-	-	20,087,808	20,081,120
Transactions with owners										
Dividends on ordinary shares	37	-	-	-	-	-	-	-	(3,806,250)	(3,806,250)
Share issuance expense	23	-	(41,273)	-	-	-	-	-	-	(41,273)
Grant of equity-settled share options to employees		-	-	774,714	-	-	-	-	-	774,714
Reserve attributable to disposal group classified as held for sale	10	-	-	-	132,859	(85,001)	-	(47,858)	-	-
Total transactions with owners		-	(41,273)	774,714	132,859	(85,001)	-	(47,858)	(3,806,250)	(3,072,809)
At 31 October 2011		72,500,000	15,163,246	774,714	-	-	(36,700,000)	(47,858)	53,665,759	105,355,861

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 October 2012

		← Non-distributable		→	Distributable	
	Note	Share capital RM	Share premium RM	Employee share option reserve RM	Retained earnings RM	Equity, total RM
Company						
At 1 November 2011		72,500,000	15,163,246	774,714	24,432,028	112,869,988
Total comprehensive income		-	-	-	1,207,375	1,207,375
Transactions with owners						
Issue of ordinary shares	23	7,250,000	18,850,000	-	-	26,100,000
Share issuance expense	23	-	(418,932)	-	-	(418,932)
Exercise of employee share options	27	216,250	414,222	(92,922)	-	537,550
Dividends paid	37	-	-	-	(5,993,906)	(5,993,906)
Grant of equity-settled share options to employees		-	-	1,853,220	-	1,853,220
Total transaction with owners		7,466,250	18,845,290	1,760,298	(5,993,906)	22,077,932
At 31 October 2012		79,966,250	34,008,536	2,535,012	19,645,497	136,155,295
At 1 November 2010		72,500,000	15,204,519	-	14,366,021	102,297,472
Total comprehensive income		-	-	-	13,872,257	13,872,257
Transactions with owners						
Dividends paid	37	-	-	-	(3,806,250)	(3,806,250)
Share issuance expense	23	-	(41,273)	-	-	(41,273)
Grant of equity-settled share options to employees		-	-	774,714	-	774,714
Total transaction with owners		-	(41,273)	774,714	(3,806,250)	(3,072,809)
At 31 October 2011		72,500,000	15,163,246	774,714	24,432,028	113,096,920

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

For the financial year ended 31 October 2012

	Group		Company	
	2012	**2011**	**2012**	**2011**
	RM	**RM**	**RM**	**RM**
		(restated)		**(restated)**
Operating activities				
Profit before tax from continuing operations	34,137,932	27,486,391	1,631,075	19,145,175
Loss before tax from discontinued operation	(32,811)	(164,185)	-	-
	34,105,121	27,322,206	1,631,075	19,145,175
Adjustments for:				
Depreciation of plant and equipment	1,978,293	548,300	26,785	1,757
Impairment loss on trade receivables	1,530,271	156,241	-	-
Bad debts written off	-	77,385	-	-
Provision for legal claim				
- current year	-	1,894,720	-	-
- overprovision in prior year	(294,720)	-	-	-
Unrealised foreign exchange loss	8,293	22,672	-	-
Reversal of general provision	(1,422,524)	-	-	-
Loss on disposal of subsidiary	12,929	-	-	-
Grant of equity-settled share options to employees	1,424,466	774,714	1,853,220	774,714
Interest expense	8,775,393	6,771,311	3,764,685	4,035,707
Interest income	(1,446,447)	(1,896,418)	(953,494)	(914,805)
Loss/(gain) on disposal of plant and equipment	25,257	(221,261)	-	-
Operating cash flows before changes in working capital	44,696,332	35,449,870	6,322,271	23,042,548
Changes in working capital:				
Trade and other receivables	(106,746,098)	(70,678,144)	(11,291,117)	(74,808,203)
Other current assets	76,722	(384,363)	(252,037)	125,759
Development cost	(1,825,890)	-	-	-
Trade and other payables	44,651,032	55,844,070	(47,372,109)	51,479,206
Provision	(1,600,000)	-	-	-
Cash flows (used in)/from operations	(20,747,902)	20,231,433	(52,592,992)	(160,690)
Interest paid	(8,447,774)	(6,449,420)	(3,639,419)	(3,967,735)
Taxes paid	(10,393,605)	(10,854,020)	(4,695,695)	(7,846,274)
Net cash flows (used in)/from operating activities	(39,589,281)	2,927,993	(60,928,106)	(11,974,699)

STATEMENTS OF CASH FLOWS

For the financial year ended 31 October 2012

	Group		Company	
	2012	**2011**	**2012**	**2011**
	RM	**RM**	**RM**	**RM**
		(restated)		**(restated)**
Investing activities				
Proceeds from disposal of plant and equipment	240,000	244,200	-	-
Net cash inflow from disposal of subsidiary	430,941	-	-	-
Investment in subsidiaries	-	-	(2)	(1,400,968)
Purchase of plant and equipment	(92,629,193)	(4,518,525)	(397,565)	(27,206)
Interest received	1,446,447	1,896,418	953,494	914,805
Net cash flows (used in)/from investing activities	(90,511,805)	(2,377,907)	555,927	(513,369)
Financing activities				
Dividends paid	(5,993,906)	(3,806,250)	(5,993,906)	(3,806,250)
Proceeds from revolving credit	-	-	2,000,000	-
Repayment of revolving credit	(400,000)	(8,400,000)	-	-
Proceeds from borrowings	54,334,169	19,393,703	55,108,671	22,884,232
Proceeds from term loan	75,000,000	-	-	-
Proceeds from issuance of ordinary shares, net of transaction cost				
- under private placement	26,100,000	-	26,100,000	-
- under ESOS	537,550	-	537,550	-
Share issuance expense	(418,932)	(41,273)	(418,932)	(41,273)
Repayment of obligation under finance leases	(614,141)	(446,985)	-	-
Net cash flows from financing activities	148,544,740	6,699,195	77,333,383	19,036,709
Net increase in cash and cash equivalents	18,443,654	7,249,281	16,961,204	6,548,641
Cash and cash equivalents at beginning of year	24,751,052	17,508,459	(7,287,878)	(13,836,519)
Effect of exchange rate changes on cash and cash equivalents	(5,844)	(6,688)	-	-
Cash and cash equivalents at end of year (Note 19)	43,188,862	24,751,052	9,673,326	(7,287,878)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Corporate information

Cypark Resources Berhad ("the Company") is a public limited liability company incorporated and domiciled in Malaysia, and is listed on the 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 Millenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur.

The Company is an investment holding company. The Company is also principally involved in the closure and restoration of landfills located in various locations throughout West Malaysia.

The principal activities of the subsidiaries are disclosed in Note 15.

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

The financial statements for the year ended 31 October 2012 were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 25 February 2013.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards ("FRS") and the Companies Act, 1965 in Malaysia. At the beginning of the current financial year, the Group and the Company adopted new and revised FRSs which are mandatory for financial periods beginning on or after 1 November 2011 as described fully in Note 2.2.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Ringgit Malaysia (RM).

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 November 2011, the Group and the Company adopted the following new and amended FRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 November 2011.

Description	Effective for annual periods beginning on or after
• Amendments to FRS 1: Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters	1 January 2011
• Amendments to FRS 1: Additional Exemptions for First-time Adopters	1 January 2011
• Amendments to FRS 2: Group Cash-settled Share-based Payment Transactions	1 January 2011
• Amendments to FRS 7: Improving Disclosures about Financial Instruments	1 January 2011

2. Summary of significant accounting policies (cont'd)

2.2 Changes in accounting policies (cont'd)

Description	Effective for annual periods beginning on or after
• Amendments to FRSs 'Improvements to FRSs (2010)'	1 January 2011
• IC Interpretation 4: Determining whether an Arrangement contains a Lease	1 January 2011
• IC Interpretation 18: Transfers of Assets from Customers	1 January 2011
• Amendments to IC Interpretation 14: Prepayments of a Minimum Funding Requirement	1 July 2011
• IC Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
• Amendments to FRS 7: Mandatory Effective Date of MFRS 9 and Transition Disclosures	1 March 2012
• Amendments to FRS 9: Mandatory Effective Date of FRS 9 and Transition Disclosures	1 March 2012

Adoption of the above standards and interpretations did not have any significant effect on the financial performance and position of the Group and of the Company except for those discussed below:

Amendments to FRS 7: Improving Disclosures about Financial Instruments

The amended standard requires enhanced disclosure about fair value measurement and liquidity risk. Fair value measurements related to items recorded at fair value are to be disclosed by source of inputs using a three level fair value hierarchy (Level 1, Level 2 and Level 3), by class, for all financial instruments recognised at fair value. A reconciliation between the beginning and ending balance for Level 3 fair value measurements is required. Any significant transfers between levels of the fair value hierarchy and the reasons for those transfers need to be disclosed. The amendments also clarify the requirements for liquidity risk disclosures with respect to derivative transactions and assets used for liquidity management. The fair value measurement disclosures are presented in Note 33. The liquidity risk disclosures are not significantly impacted by the amendments and are presented in Note 34(b).

2.3 Malaysian Financial Reporting Standards

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer.

The Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 October 2013. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

2. Summary of significant accounting policies (cont'd)

2.3 Malaysian Financial Reporting Standards (cont'd)

The Group has established a project team to plan and manage the adoption of the MFRS Framework.

The Group has not completed its assessment of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework. Accordingly, the consolidated financial performance and financial position as disclosed in these financial statements for the year ended 31 October 2012 could be different if prepared under the MFRS Framework.

The Group considers that it is achieving its scheduled milestones and expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 October 2013.

2.4 Basis of consolidation

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

All intragroup balances, income and expenses and unrealised gains and losses resulting from intragroup transactions are eliminated in full.

Acquisitions of subsidiaries are accounted for by applying the purchase method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in other comprehensive income. The cost of a business combination is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the business combination. Any excess of the cost of business combination over the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities is recorded as goodwill on the statement of financial position. Any excess of the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income in profit or loss on the date of acquisition. When the Group acquires a business, embedded derivatives separated from the host contract by the acquiree are reassessed on acquisition unless the business combination results in a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

2. Summary of significant accounting policies (cont'd)

2.4 Basis of consolidation (cont'd)

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. Under the Financial Reporting Standards ("FRS") 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;

- 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.

2.5 Foreign currency

(a) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency.

2. Summary of significant accounting policies (cont'd)

2.5 Foreign currency (cont'd)

(b) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(c) Foreign operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation 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 the profit or loss.

2.6 Plant and equipment

All items of plant and equipment are initially recorded at cost. The cost of an item of plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, plant and equipment and furniture and fixtures are measured at cost less accumulated depreciation and any accumulated impairment losses. When significant parts of plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

NOTES TO THE FINANCIAL STATEMENTS

2. Summary of significant accounting policies (cont'd)

2.6 Plant and equipment (cont'd)

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets, at the following annual rates:

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

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

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

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

2.7 Intangible assets

(a) Goodwill

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

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

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.

(b) Club membership

Club membership was acquired separately and it is not amortised as it has an indefinite useful life. The club membership is tested for impairment annually.

NOTES TO THE FINANCIAL STATEMENTS

2. Summary of significant accounting policies (cont'd)

2.8 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss in the period in which it arises.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss. Impairment loss on goodwill is not reversed in a subsequent period.

2.9 Subsidiaries

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2.10 Financial assets

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

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit and loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held to maturity investments and available-for-sale financial assets.

2. Summary of significant accounting policies (cont'd)

2.10 Financial assets (cont'd)

(a) Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial asset that is held primarily for trading purposes are presented as current whereas financial asset that is not held primarily for trading purposes are presented as current or non-current based on the settlement date.

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

(b) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

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

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

(c) 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.

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.

2. Summary of significant accounting policies (cont'd)

2.10 Financial assets (cont'd)

(d) Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are designated as available for sale or are not classified in any of the three preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group and the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

2.11 Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

(a) Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

2. Summary of significant accounting policies (cont'd)

2.11 Impairment of financial assets (cont'd)

(a) Trade and other receivables and other financial assets carried at amortised cost (cont'd)

If any such evidence exists, the amount of impairment 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 impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

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.

(b) Unquoted equity securities carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at 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 current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(c) Available-for-sale financial assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income. For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

2. Summary of significant accounting policies (cont'd)

2.12 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, deposits at call and deposits pledged to financial institutions which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

2.13 Development costs

Development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

When the financial outcome of a development activity can be reliably estimated, development revenue and expenses are recognised in profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that development costs incurred for work performed to date bear to the estimated total development costs.

Where the financial outcome of a development activity cannot be reliably estimated, development revenue is recognised only to the extent of development costs incurred that is probable will be recoverable, and development costs on developments sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

Development costs not recognised as an expense are recognised as an asset, which is measured at the lower of cost and net realisable value.

2.14 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.

2.15 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of FRS 139, are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

2. Summary of significant accounting policies (cont'd)

2.15 Financial liabilities (cont'd)

(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

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

(b) Other financial liabilities

The Group's and the Company's other financial liabilities include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.16 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 it is 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.

2. Summary of significant accounting policies (cont'd)

2.16 Financial guarantee contracts (cont'd)

At the reporting date, no value was placed on corporate guarantee provided by the Company to secure credit facility granted to its subsidiaries and the purchase of plant and equipment 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.

2.17 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.

2.18 Employee benefits

(a) Defined contribution plans

The Group makes contributions to the Employees Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) Employee share option plans

Employees 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 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, or to treasury shares if the options are satisfied by the reissuance of treasury shares.

2. Summary of significant accounting policies (cont'd)

2.19 Leases

As lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2.20 Discontinued operation

A component of the Group is classified as a "discontinued operation" when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations or is part of a single coordinated major line of business or geographical area of operations. A component is deemed to be held for sale if its carrying amounts will be recovered principally through a sale transaction rather than through continuing use.

Upon classification as held for sale, non-current assets and disposal groups are not depreciated and are measured at the lower of carrying amount and fair value less costs to sell. Any differences are recognised in profit or loss.

2.21 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

(a) Landscaping, environmental 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 and environmental projects is 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.

NOTES TO THE FINANCIAL STATEMENTS

2. Summary of significant accounting policies (cont'd)

2.21 Revenue (cont'd)

(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) Interest income

Interest income is recognised on an accrual basis using the effective interest method unless recoverability is in doubt, in which case, it is recognised on receipt basis.

2.22 Income taxes

(a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

2. Summary of significant accounting policies (cont'd)

2.22 Income taxes (cont'd)

(b) Deferred tax (cont'd)

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

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 the same taxable entity and the same taxation authority.

2.23 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 Company who regularly review 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 36, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.24 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2. Summary of significant accounting policies (cont'd)

2.25 Contingencies

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

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

3. Significant accounting judgements and estimates

3.1 Judgements made in applying accounting policies

There are no 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.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Revenue from landscaping and environmental projects

The Group and the Company recognise revenue from landscaping 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.

(b) 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 receivable at the reporting date is disclosed in Note 17.

3. Significant accounting judgements and estimates (cont'd)

3.2 Key sources of estimation uncertainty (cont'd)

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

The management determines whether the carrying amount 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 opinion of the Directors, adequate impairment loss has been recognised in profit or loss of the Group and of the Company.

(d) Employee share option

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 models used for estimating fair value for share-based payment transactions and the carrying amounts are disclosed in Note 29.

4. Revenue

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Landscaping	17,993,559	9,660,000	-	-
Maintenance	1,463,600	963,600	-	-
Environmental engineering	171,009,061	150,907,320	39,891,253	150,907,320
Renewable energy	5,335,392	-	-	-
	195,801,612	161,530,920	39,891,253	150,907,320

5. Cost of sales

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Landscaping	16,456,175	8,630,494	-	-
Maintenance	1,192,711	818,348	-	-
Environmental engineering	125,787,947	108,302,093	27,974,907	121,728,675
Renewable energy	1,899,590	-	-	-
	145,336,423	117,750,935	27,974,907	121,728,675

Cost of sales comprise sub-contractors' costs, material costs, labour costs and site expenses.

6. Finance costs

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Interest expense on:				
- bank overdrafts	5,421,215	3,959,398	3,475,047	3,765,214
- obligations under finance lease	89,256	95,605	-	-
- term loans	571,418	-	-	-
- bill discounting	2,650	-	2,650	-
- revolving credits	1,616,323	1,833,021	24,098	-
- letter of credits	147,365	43,765	14,223	17,629
- trust receipts	455,781	416,435	-	100,529
- bank facility fees	93,066	84,363	75,000	84,363
- bank guarantee commission	50,700	16,833	48,400	-
Unwinding of discount	327,619	321,891	125,267	67,972
Total finance costs	8,775,393	6,771,311	3,764,685	4,035,707

7. Profit before tax from continuing operations

The following items have been included in arriving at profit before tax from continuing operations:

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Continuing operations				
Auditors' remuneration				
- statutory audits				
- current year	160,510	122,883	52,000	40,000
- under provision in prior year	10,290	-	10,290	-
Depreciation of plant and equipment (Note 12)	1,978,293	548,300	26,785	1,757
Impairment loss on trade receivables (Note 17)	1,530,271	156,241	-	-
Bad debts written off	-	77,385	-	-
Unrealised foreign exchange loss	8,293	22,672	-	-
Loss/(gain) on disposal of plant and equipment	25,257	(221,261)	-	-
Loss on disposal of subsidiary	12,929	-	-	-
Operating lease:				
- minimum lease payments on premises	227,400	182,503	27,500	145,439
- minimum lease payments on site equipment	404,040	171,883	-	134,743
- minimum lease payments on motor vehicles	291,045	1,377,675	120,000	1,212,400
- minimum lease payments on office equipment	5,600	7,930	-	-
- minimum lease payments on land	80,988	-	-	-

7. Profit before tax from continuing operations (cont'd)

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Continuing operations (cont'd)				
Provision for legal claim (Note 20)	-	1,894,720	-	-
Reversal of provision for legal claim (Note 20)	(294,720)	-	-	-
Reversal of general provision	(1,422,524)	-	-	-
Interest income from loans and receivables	(1,446,447)	(1,896,418)	(953,494)	(914,805)
Employee benefits expense:				
- salaries and wages	7,323,530	6,954,382	2,560,036	4,923,430
- defined contribution plan	900,468	855,173	350,205	594,614
- social security contributions	67,143	64,767	38,805	52,551
- share options granted under ESOS	991,366	265,313	1,287,760	265,313
- other benefits	691,602	552,396	542,792	497,011
Non-Executive Directors' remuneration (Note 8)	301,097	408,000	301,097	408,000

8. Directors' remuneration

The details of remuneration receivable by Directors of the Company during the year are as follows:

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Executive:				
Salaries and other allowances	1,252,000	1,171,000	1,252,000	1,171,000
Defined contribution plan	136,980	132,600	136,980	132,600
Social security contributions	723	1,240	723	1,240
Share options granted under ESOS	433,100	509,401	563,460	509,401
Total Executive Directors' remuneration	1,822,803	1,814,241	1,953,163	1,814,241
Non-Executive:				
Fees, representing total Non-Executive Directors' remuneration (Note 7)	301,097	408,000	301,097	408,000
Total Directors' remuneration (Note 30(b))	2,123,900	2,222,241	2,254,260	2,222,241

8. Directors' remuneration (cont'd)

The number of Directors of the Company whose total remuneration during the financial year fell within the following band is analysed below:

	Number of Directors 2012	2011
Executive Directors:		
RM500,001 - RM600,000	1	-
RM600,001 - RM700,000	-	2
RM700,001 - RM800,000	1	-
Non-Executive Directors:		
Below RM50,000	3	3
RM50,001 - RM100,000	2	-
RM250,001-RM300,000	-	1

Effective from 1 January 2012, Tan Sri Razali Bin Ismail has been redesignated as Executive Director from Non-Executive Director of the Board.

9. Income tax expense

Major components of income tax expense

The major components of income tax expense for the years ended 31 October 2012 and 2011 are:

	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Statements of comprehensive income:				
Malaysian income tax				
- continuing operations:				
- Current income tax	8,917,953	7,858,095	929,739	5,490,883
- Under/(over)provision in prior years	265	(557,413)	(222,333)	(5,540)
	8,918,218	7,300,682	707,406	5,485,343
Deferred income tax				
- continuing operations (Note 16):				
- Origination and reversal of temporary differences	(323,348)	(130,057)	(283,706)	(204,770)
- (Over)/under provision in prior years	(68,150)	63,773	-	(7,655)
	(391,498)	(66,284)	(283,706)	(212,425)
Income tax attributable to continuing operations	8,526,720	7,234,398	423,700	5,272,918
Income tax attributable to discontinued operation (Note 10)	-	-	-	-
Income tax expense recognised in profit or loss	8,526,720	7,234,398	423,700	5,272,918

9. Income tax expense (cont'd)

Reconciliation between tax expense and accounting profit

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 October 2012 and 2011 is as follows:

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Profit before tax from continuing operations	34,137,932	27,486,391	1,631,075	19,145,175
Loss before tax from discontinued operation (Note 10)	(32,811)	(164,185)	-	-
Accounting profit before tax	34,105,121	27,322,206	1,631,075	19,145,175
Taxation at Malaysian statutory tax rate of 25% (2011: 25%)	8,526,280	6,830,552	407,769	4,786,294
Non-deductible expenses	310,954	641,625	211,076	499,819
Utilisation of previously unrecognised tax losses	(255,861)	-	-	-
Deferred tax assets not recognised	13,232	255,861	-	-
(Over)/under provision of deferred tax in prior years	(68,150)	63,773	-	(7,655)
Under/(over)provision of tax expense in prior years	265	(557,413)	(222,333)	(5,540)
Income tax expense recognised in profit or loss	8,526,720	7,234,398	396,512	5,272,918

Domestic current income tax is calculated at the Malaysian statutory tax rate of 25% (2011: 25%) of the estimated assessable profit for the year.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The above reconciliation is prepared by aggregating separate reconciliation for each national jurisdiction.

10. Discontinued operation

The Company's Board of Directors has made the decision to dispose off one of its wholly-owned subsidiary, Cypark Landscape Services Qatar WLL ("CLSQ"), which was previously reported in the Middle East segment. The decision is made as the Company has no intention to continue its operation after the completion of the project in Qatar.

As at 31 October 2011, the assets and liabilities related to CLSQ had been presented in the statements of financial position as "Assets of disposal group classified as held for sale" and "Liabilities of disposal group classified as held for sale", and its results were presented separately on the statements of comprehensive income as "Loss from discontinued operation, net of tax".

10. Discontinued operation (cont'd)

The Group had on 13 February 2012 entered into a sale and purchase of shares agreement with Creative Solutions International Ltd for the disposal of 98,000 shares of Qatari Riyal ("QAR") 1.00 each in the capital of CLSQ representing its entire interest in the capital of CLSQ, for a total cash consideration of RM460,000 resulting in a loss on disposal of RM12,929 (Note 7).

Statement of comprehensive income disclosures

The results of CLSQ up to the date of disposal, 13 February 2012 are as follows:

	2012 RM	2011 RM
Administrative expenses, representing loss before tax from discontinued operation	(32,811)	(164,185)
Income tax expense (Note 9)	-	-
Loss from discontinued operation, net of tax	(32,811)	(164,185)

The following items have been included in arriving at loss from discontinued operation, net of tax:

	Group	
	2012 RM	2011 RM
Discontinued operation		
Auditors' remuneration		
- statutory audits	-	10,000
- under provision in prior year	2,076	-
Realised foreign exchange gain	-	(9,207)
Operating lease:		
- Minimum lease payments on premises	29,887	113,636

Statement of cash flow disclosures

The cash flow attributable to CLSQ up to the date of disposal, 13 February 2012 are as follows:

	2012 RM	2011 RM
Operating, representing net cash outflows	(32,811)	(164,185)

NOTES TO THE FINANCIAL STATEMENTS

10. Discontinued operation (cont'd)

The disposal had the following effects on the financial position of the Group as at the reporting date:

	Group	
	2012	**2011**
	RM	**RM**
Trade and other receivables	23,438,486	23,741,408
Cash and bank balances	29,059	24,072
Trade and other payables	(20,997,475)	(20,993,425)
Provision for taxation	(2,050,843)	(2,077,347)
Net assets disposed off	419,227	694,708
Foreign currency translation reserve	137,618	(132,859)
Foreign statutory reserve	(83,916)	85,001
	472,929	(47,858)
Total disposal proceeds	(460,000)	
Loss on disposal of a subsidiary	12,929	
Disposal proceed settled by cash	460,000	
Cash inflow arising from the disposal:		
Cash consideration	460,000	
Less: Cash and cash equivalents of a subsidiary disposed off	(29,059)	
Net cash inflow on disposal of a subsidiary	430,941	

11. Earnings per share

Basic earnings per share amounts are calculated by dividing profit for the year, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share amounts are calculated by dividing profit for the year, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

11. Earnings per share (cont'd)

The following reflect the profit and share data used in the computation of basic and diluted earnings per share for the years ended 31 October 2012 and 2011:

	Group	
	2012 **RM**	**2011** **RM**
Profit net of tax attributable to owners of the parent used in the computation of basic and diluted earnings per share	25,578,401	20,087,808
Add back: Loss from discontinued operation, net of tax, attributable to owners of the parent	32,811	164,185
Profit net of tax from continuing operations attributable to owners of the parent used in the computation of basic and diluted earnings per share	25,611,212	20,251,993

	Group	
	2012 **Number of shares**	**2011** **Number of shares**
Weighted average number of ordinary shares for basic earnings per share computation	154,208,500	145,000,000
Effects of dilution - share options	8,929,678	3,630,000
Weighted average number of ordinary shares for diluted earnings per share computation	163,138,178	148,630,000

There have been no other transactions involving ordinary shares or potential ordinary shares since the reporting date and before the completion of these financial statements.

(a) Continuing operations

Basic earnings per share amounts are calculated by dividing profit for the year from continuing operations, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share amounts are calculated by dividing profit for the year from continuing operations, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all dilutive potential ordinary shares into ordinary shares.

(b) Discontinued operation

The basic and diluted loss per share from discontinued operation are calculated by dividing the loss from discontinued operation, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares for basic earning per share computation and weighted average number of ordinary shares for diluted earning per share computation respectively.

12. 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 2010	1,525,911	33,335	3,012,616	1,264,462	-	-	5,836,324
Additions	1,858,484	187,140	253,587	2,040	-	2,459,274	4,760,525
Disposals	-	-	(648,145)	-	-	-	(648,145)
Attributable to discontinued operation	(180,176)	-	-	(171,872)	-	-	(352,048)
At 31 October 2011	3,204,219	220,475	2,618,058	1,094,630	-	2,459,274	9,596,656
Additions	109,599	419,655	681,345	119,291	80,906,915	11,016,388	93,253,193
Disposals	-	-	(615,607)	-	-	-	(615,607)
At 31 October 2012	3,313,818	640,130	2,683,796	1,213,921	80,906,915	13,475,662	102,234,242
Accumulated depreciation							
At 1 November 2010	1,500,665	33,334	1,372,301	1,232,430	-	-	4,138,730
Charge for the year (Note 7)	57,720	8,717	460,249	21,614	-	-	548,300
Disposals	-	-	(625,206)	-	-	-	(625,206)
Attributable to discontinued operation	(180,176)	-	-	(171,872)	-	-	(352,048)
At 31 October 2011	1,378,209	42,051	1,207,344	1,082,172	-	-	3,709,776
Charge for the year (Note 7)	149,395	47,094	476,176	21,393	1,284,235	-	1,978,293
Disposals	-	-	(350,350)	-	-	-	(350,350)
At 31 October 2012	1,527,604	89,145	1,333,170	1,103,565	1,284,235	-	5,337,719
Net carrying amount							
At 31 October 2012	1,786,214	550,985	1,350,626	110,356	79,622,680	13,475,662	96,896,523
At 31 October 2011	1,826,010	178,424	1,410,714	12,458	-	2,459,274	5,886,880

NOTES TO THE FINANCIAL STATEMENTS

12. Plant and equipment (cont'd)

	Office equipment and renovation RM	Motor vehicles RM	Computer and peripherals RM	Total RM
Company				
Cost				
At 1 November 2010	-	-	-	-
Additions	-	25,756	1,450	27,206
At 31 October 2011	-	25,756	1,450	27,206
Additions	324,380	4,293	68,892	397,565
At 31 October 2012	324,380	30,049	70,342	424,771
Accumulated depreciation				
At 1 November 2010	-	-	-	-
Additions	-	1,717	40	1,757
At 31 October 2011	-	1,717	40	1,757
Charge for the year (Note 7)	16,431	5,366	4,988	26,785
At 31 October 2012	16,431	7,083	5,028	28,542
Net carrying amount				
At 31 October 2012	307,949	22,966	65,314	396,229
At 31 October 2011	-	24,039	1,410	25,449

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

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Cash payments	92,629,193	4,518,525	397,565	27,206
Finance lease arrangement	624,000	242,000	-	-
	93,253,193	4,760,525	397,565	27,206

12. Plant and equipment (cont'd)

Assets held under finance lease

The carrying amount of plant and equipment of the Group held under finance lease at the reporting date was RM1,319,505 (2011: RM1,386,675).

Lease assets are pledged as security for the related lease liabilities (Note 31(c)).

Assets under construction

The Group's plant and equipment includes RM13,475,662 (2011: RM2,459,274) which relates to expenditure for a renewable energy plant in the course of construction.

Capitalisation of borrowing costs

The Group's plant and equipment includes borrowing costs arising from bank loan borrowed specifically for the purpose of the construction of a plant. During the financial year, the borrowing costs capitalised as cost of plant and equipment amounted to RM1,930,007 (2011: nil).

13. Development costs

These development costs represent costs specifically incurred for the Group's upcoming Waste-to-Energy ("WTE") Project at Ladang Tanah Merah, Negeri Sembilan. The Group, through one of its subsidiaries, will enter into a concession agreement with the government under the WTE project to process, treat and dispose municipal waste collected from Negeri Sembilan. These costs mostly consist of professional and consultancy fee, staff cost meant solely for the said project and other preliminaries incurred.

14. Intangible assets

	Group	
	2012	**2011**
	RM	**RM**
Cost:		
Goodwill	127,316	127,316
Club membership	170,000	170,000
	297,316	297,316

Impairment testing of goodwill

Goodwill arises from the reverse acquisition of the Company in prior years.

The recoverable amount of goodwill has been determined based on value in the calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The pre-tax discount rate applied to the cash flow projections is 12% (2011: 12%). Gross margins are based on average values achieved in the preceding three-years.

Based on the aforementioned assumptions, the goodwill does not appear to be impaired.

15. Investment in subsidiaries

	Company 2012 RM	Company 2011 RM
Unquoted shares, at cost	41,400,970	41,400,968

Details of the subsidiaries are as follows:

Name of subsidiaries	Principal activities	Proportion (%) of ownership interest 2012	Proportion (%) of ownership interest 2011
Held by the Company:			
Cypark Sdn. Bhd.*	Landscape specialist that offers integrated turnkey contract services, management services and planning and design services for external built environment including the landscape infrastructure, public amenities such as parks and recreation facilities, tourism development, nature conservation and environmental amelioration and landscape infrastructure works as well as plant materials sourcing, transportation conditioning and installation of plant materials at site.	100	100
Cypark Renewable Energy Sdn. Bhd.*	Investment holding, landscape maintenance services specialist and renewable energy specialist that offers environmental engineering and integrated turnkey contract services, management services and planning and design services.	100	100
Cypark Smart Technology (Holdings) Sdn. Bhd.*	Investment holding.	100	-
Held through Cypark Sdn. Bhd.:			
Cypark Landscape Services Qatar WLL **	Landscape specialist that offers integrated turnkey contract services, management services and planning and design services for external built environment including the landscape infrastructure, public amenities such as parks and recreation facilities, tourism, development, nature conservation and environmental amelioration and landscape infrastructure works as well as plant materials sourcing, transportation conditioning and installation of plant materials at site.	-	100

NOTES TO THE FINANCIAL STATEMENTS

15. Investment in subsidiaries (cont'd)

Name of subsidiaries	Principal activities	Proportion (%) of ownership interest 2012	2011
Cypark International Sdn. Bhd.***	Dormant.	100	100
Held through Cypark Renewable Energy Sdn. Bhd.:			
Cypark Suria (Negeri Sembilan) Sdn. Bhd.***	Investment holding.	100	100
Held through Cypark Suria (Negeri Sembilan) Sdn. Bhd.:			
Cypark Suria (Pajam) Sdn. Bhd.*	Engaging in the business of renewable energy.	100	100
Cypark Suria (Kuala Sawah) Sdn. Bhd.***	Dormant.	100	100
Cypark Suria (Bukit Palong) Sdn. Bhd.***	Dormant.	100	100
Cypark Suria (Sua Betong) Sdn. Bhd.***	Dormant.	100	100
Held through Cypark Smart Technology (Holdings) Sdn. Bhd.:			
Cypark Smart Technology (NS) Sdn. Bhd.*	Investment holding.	100	-
Held through Cypark Smart Technology (NS) Sdn. Bhd.:			
Cypark Smart Technology Sdn. Bhd.*	Waste management facilities.	100	-

Except for Cypark Landscape Services Qatar WLL which is incorporated in Qatar, all other subsidiaries are incorporated in Malaysia.

* Audited by Ernst & Young, Malaysia

** In prior reporting periods, direct shareholding in the subsidiary was 49%. However, by virtue of an agreement signed on 10 August 2005 and subsequently replaced by a new agreement signed on 14 August 2008, the entity was deemed a 100% subsidiary of the Company. This subsidiary is audited by a member firm of Ernst & Young Global. In addition, this subsidiary was classified as held for sale as at 31 October 2011 and was disposed off during the current financial year (Note 10 and 38).

*** Audited by firms other than Ernst & Young

15. Investment in subsidiaries (cont'd)

(a) Acquisition of subsidiaries

(i) Cypark Smart Technology (Holdings) Sdn. Bhd.

The Company had on 15 June 2012 acquired 100% equity interest in Cypark Smart Technology (Holdings) Sdn. Bhd. ("CSTH") for a total consideration of RM2 from the major shareholders, Dato' Zakaria @ Shamsuddin Bin Dahlan and Tuan Haji Darus @ Idrus Bin Omar. Upon the acquisition, CSTH became a wholly-owned subsidiary of the Company. The acquisition is to facilitate the Group's participation in the proposed development of a new sanitary landfill.

(ii) Cypark Smart Technology (NS) Sdn. Bhd.

CSTH had on 15 June 2012 acquired 100% equity interest in Cypark Smart Technology (NS) Sdn. Bhd. ("CSTNS") for a total cash consideration of RM2. Upon the acquisition, CSTNS became a wholly owned subsidiary of CSTH.

(iii) Cypark Smart Technology Sdn. Bhd.

CSTNS had on 15 June 2012 acquired 100% equity interest in Cypark Smart Technology Sdn. Bhd. ("CST") for a total cash consideration of RM2. Upon the acquisition, CST became a wholly owned subsidiary of CSTNS.

The acquisition of these subsidiaries did not have any material impact on the earning and net tangible assets of the Group and of the Company.

(b) Disposal of a subsidiary

The Group had on 13 February 2012 entered into a sale and purchase of shares agreement with Creative Solutions International Ltd for the disposal of 98,000 shares of QAR1.00 each in the capital of Cypark Landscape Services Qatar W.L.L ("CLSQ") representing its entire interest in the capital of CLSQ, for a total cash consideration of RM460,000, resulting in a loss on disposal of RM12,929 (Note 7). The subsidiary was previously classified under "Disposal group classified as held for sale" as at 31 October 2011 as disclosed in Note 10.

NOTES TO THE FINANCIAL STATEMENTS

16. Deferred tax

Deferred income tax as at 31 October relates to the following:

	As at 1 November 2010 RM	Recognised in profit or loss RM	As at 31 October 2011 RM	Recognised in profit or loss RM	As at 31 October 2012 RM
Group					
Deferred tax liabilities:					
Plant and equipment	224,990	(192,704)	32,286	(12,200)	20,086
Trade payables	328,300	115,673	443,973	(51,851)	392,122
	553,290	(77,031)	476,259	(64,051)	412,208
Deferred tax asset:					
Provisions	(293,700)	204,425	(89,275)	54,929	(34,346)
Share options	-	(193,679)	(193,679)	(356,116)	(549,795)
Trade receivables	-	-	-	(26,260)	(26,260)
	(293,700)	10,746	(282,954)	(327,447)	(610,401)
	259,590	(66,285)	193,305	(391,498)	(198,193)
Company					
Deferred tax liabilities:					
Plant and equipment	-	2,498	2,498	84,887	87,385
Trade payables	75,644	12,055	87,699	(23,385)	64,314
	75,644	14,553	90,197	61,502	151,699
Deferred tax asset:					
Provisions	-	(33,299)	(33,299)	15,045	(18,254)
Share options	-	(193,679)	(193,679)	(356,116)	(549,795)
Trade receivables	-	-	-	(4,137)	(4,137)
	-	(226,978)	(226,978)	(345,208)	(572,186)
	75,644	(212,425)	(136,781)	(283,706)	(420,487)

Presented after appropriate offsetting as follows:-

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Deferred tax assets	(522,836)	(150,117)	(420,487)	(136,781)
Deferred tax liabilities	324,643	343,422	-	-
	(198,193)	193,305	(420,487)	(136,781)

NOTES TO THE FINANCIAL STATEMENTS

16. Deferred tax (cont'd)

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

	Group	
	2012	**2011**
	RM	**RM**
Unutilised business losses	-	328,956
Unabsorbed capital allowances	-	672,498
Other deductible temporary differences	-	21,990
	-	1,023,444

The Group is eligible to claim 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. At the reporting date, the Group is entitled to claim ITA on qualifying expenditures incurred on its plant with cost of RM80,906,915 (Note 12) categorised in its plant and equipment. ITA on the said qualifying expenditure is available for offset against future taxable profits of the Group, subject to the agreement of the Inland Revenue Board.

At the reporting date, deferred tax assets arising from the ITA are not recognised as it is too premature for the Group to anticipate their eventual realisation.

17. Trade and other receivables

	Group		Company	
	2012	**2011**	**2012**	**2011**
	RM	**RM**	**RM**	**RM**
Current				
Trade receivables				
Third party	126,928,489	37,074,659	23,711,122	33,688,658
Retention sum	6,731,523	116,191	-	-
Unbilled amount due from customers on work performed	167,889,330	194,401,089	153,745,057	188,037,236
	301,549,342	231,591,939	177,456,179	221,725,894
Less: Allowance for impairment				
Third party	-	(296,251)	-	-
Unbilled amount due from customers on work performed	(1,530,271)	-	-	-
Trade receivables, net	300,019,071	231,295,688	177,456,179	221,725,894

NOTES TO THE FINANCIAL STATEMENTS

17. Trade and other receivables (cont'd)

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Other receivables				
Amounts due from subsidiaries	-	-	60,777,942	5,836,860
Sundry receivables	35,891,817	658,616	568,616	240,197
Refundable deposits	632,477	418,475	112,312	324,225
	36,524,294	1,077,091	61,458,870	6,401,282
Total current receivables	336,543,365	232,372,779	238,915,049	228,127,176
Non-current				
Trade receivables				
Retention sum receivables	2,447,018	1,360,137	486,695	-
Less: Allowance for impairment	-	(156,241)	-	-
Total non-current receivables	2,447,018	1,203,896	486,695	-
Total trade and other receivable				
(current and non-current)	338,990,383	233,576,675	239,401,744	228,127,176
Add: Cash and bank balances (Note 19)	79,880,612	76,932,485	42,858,891	41,170,376
Less: Unbilled amount due from				
customers on work performed	(166,359,059)	(194,401,089)	(153,745,057)	(188,037,236)
Total loans and receivables	252,511,936	116,108,071	128,515,578	81,260,316

(a) Trade receivables

The Group's and Company's normal trade credit term ranges from 60 to 90 (2011: 60 to 90) days. Other credit terms are assessed and approved on a case-by-case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The unbilled amount due from customers on work performed mainly relates to the work performed on the projects of the Group. Subsequent billings to and collection from clients amounted to RM29,468,166 (2011: RM24,596,694) and RM131,143,379 (2011: RM39,959,300) respectively.

17. Trade and other receivables (cont'd)

(a) Trade receivables (cont'd)

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables (excluding the unbilled amount due from customers on work performed) is as follows:

	Group	
	2012	**2011**
	RM	**RM**
Neither past due nor impaired	63,685,926	33,766,870
31 to 60 days past due not impaired	10,221,524	2,788,250
61 to 90 days past due not impaired	21,326,680	80,300
More than 91 days past due not impaired	40,872,900	1,463,075
	72,421,104	4,331,625
Impaired	-	452,492
	136,107,030	38,550,987

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors 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.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM72,421,104 (2011: RM4,331,625) that are past due at the reporting date but not impaired. The Group's trade receivables arise from customers with more than four years of experience with the Group and losses have occurred infrequently. The receivables that are past due but not impaired are unsecured in nature.

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group Individual impaired	
	2012	**2011**
	RM	**RM**
Trade receivables - nominal amounts	1,530,271	452,492
Less: Allowance for impairment	(1,530,271)	(452,492)
	-	-

NOTES TO THE FINANCIAL STATEMENTS

17. Trade and other receivables (cont'd)

(a) Trade receivables (cont'd)

Movement in allowance accounts:

	Group	
	2012	**2011**
	RM	**RM**
At 1 November	452,492	296,251
Charge for the year (Note 7)	1,530,271	156,241
Written off (Note 7)	(452,492)	-
At 31 October	1,530,271	452,492

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

(b) Amounts due from subsidiaries

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

18. Other current assets

Other current assets of the Group and of the Company relates to prepaid operating expenses of RM465,345 (2011: RM542,067) and RM281,592 (2011: RM29,555) respectively.

19. Cash and bank balances

	Group		Company	
	2012	**2011**	**2012**	**2011**
	RM	**RM**	**RM**	**RM**
Short term deposits with licensed banks	40,505,772	74,432,067	21,921,577	40,662,054
Cash at banks and in hand	39,374,840	2,500,418	20,937,314	508,322
Cash and bank balances (Note 17)	79,880,612	76,932,485	42,858,891	41,170,376

Deposits with licensed banks amounting to RM40,505,772 (2011: RM74,432,067) and RM21,921,577 (2011: RM40,662,054) of the Group and of the Company respectively are pledged to licensed banks for credit facilities granted to the Group and the Company. Included herein are deposits totalling RM10,216,320 (2011: RM32,951,218) of the Group kept in a sinking fund pursuant to a condition prescribed in the agreement for a credit facility obtained and hence, are not available for general use.

19. Cash and bank balances (cont'd)

The weighted average effective interest rate of deposits with licensed banks at 31 October 2012 for the Group and the Company ranged from 2.80% to 3.15% per annum. The weighted average effective interest rate of deposits with licensed banks at 31 October 2011 for the Group and of the Company was 2.93% per annum. The maturities of these deposits at the respective reporting dates ranged from 7 to 180 days (2011: 7 to 180 days).

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

	Group		Company	
	2012	**2011**	**2012**	**2011**
	RM	**RM**	**RM**	**RM**
		(restated)		**(restated)**
Cash and short term deposits:				
- Continuing operations	79,880,612	76,932,485	42,858,891	41,170,376
- Discontinued operation (Note 10)	-	24,072	-	-
Bank overdrafts (Note 21)	(36,691,750)	(52,205,505)	(33,185,565)	(48,458,254)
Cash and cash equivalents	43,188,862	24,751,052	9,673,326	(7,287,878)

20. Provisions

	Group	
	2012	**2011**
	RM	**RM**
Legal claim		
At 1 November	1,894,720	-
Arose during the year (Note 7)	-	1,894,720
Utilised	(1,600,000)	-
Unused amount reversed (Note 7)	(294,720)	-
At 31 October	-	1,894,720

As at 31 October 2011, the provision relates to a litigation claim in relation to a dispute in the final amount claimed against a subsidiary by a sub-contractor. The High Court on 10 January 2012 ordered the sum of RM1,894,720 to be paid to the plaintiff and the amount has been provided accordingly in the statements of financial position as at 31 October 2011. The Group had subsequently filed an appeal against the judgement and notwithstanding the process of appeal, provision has been made on the ground of the aforesaid judgement as at the previous reporting date.

Subsequent to filing the appeal against the judgement, the Group has further filed for stay of execution of the aforesaid judgement. Affidavits were exchanged in regards to the stay of execution application and the said application was fixed for hearing on 30 May 2012. The Group filed in its Record of Appeal to the Court of Appeal on 29 March 2012. The plaintiff thereafter cross-appealed.

20. Provisions (cont'd)

Thereafter, however, the plaintiff proposed a settlement whereby counterproposal for settlements were made and eventually, a settlement was reached between the Group and the plaintiff. Settlement sum of RM1,600,000 was to be made by the Group to the plaintiff and was paid via cheque dated 16 May 2012.

Upon clearance of the cheque, the Group filed a notice of withdrawal in regards to the appeal and also a Notice of Discontinuance in regards to the application for stay of execution on 29 May 2012. The said withdrawal and discontinuance was made without any order to costs and without liberty to file afresh. Similarly, the plaintiff also filed a notice of withdrawal on 29 May 2012 in regards to their cross appeal without any order to costs and without liberty to file afresh.

21. Loans and borrowings

		Group		Company	
		2012	**2011**	**2012**	**2011**
	Maturity	**RM**	**RM (restated)**	**RM**	**RM (restated)**
Current					
Secured:					
Obligations under finance leases (Note 31(c))	2013	286,402	260,800	-	-
Bank loans:					
- Bank overdrafts (Note 19)	On demand	36,691,750	52,205,505	33,185,565	48,458,254
- Advances against progress claims	2013	64,214,590	18,006,621	64,214,590	18,006,621
- Trust receipts	2013	19,859,584	13,352,548	16,209,149	8,927,611
- Bill discounting	2013	1,619,164	-	1,619,164	-
- Revolving credits	2013	16,400,000	30,900,000	2,000,000	-
- Term loan	2013	5,000,000	-	-	-
		144,071,490	114,725,474	117,228,468	75,392,486
Non-current					
Secured:					
Obligations under finance leases (Note 31(c))	2014 - 2019	1,266,325	1,282,068	-	-
Bank loans:					
- Revolving credit	2014 - 2015	14,100,000	-	-	-
- Term loan	2014 - 2018	70,000,000	-	-	-
		85,366,325	1,282,068	-	-
Total loans and borrowings (Note 22)		229,437,815	116,007,542	117,228,468	75,392,486

21. Loans and borrowings (cont'd)

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

	Group		Company	
	2012	**2011**	**2012**	**2011**
	RM	**RM**	**RM**	**RM**
On demand or within 1 year	144,071,490	114,725,474	117,228,468	75,392,486
More than 1 year and less than 2 years	18,703,154	276,680	-	-
More than 2 year and less than 5 years	45,499,308	862,140	-	-
5 years or more	21,163,863	143,248	-	-
	229,437,815	116,007,542	117,228,468	75,392,486

Obligation under finance leases

These obligations are secured by a charge over the leased assets (Note 12). The average discount rate implicit in these leases ranged between 2.2% and 5.6% (2011: 2.2% and 5.6%) per annum.

Bank overdrafts and advances against progress claims ("AAPC")

Bank overdrafts and AAPC bear interests ranging from base lending rate ("BLR") + 1% to BLR + 1.75% (2011: BLR + 1.25% to BLR + 1.75%) per annum.

Bank overdrafts are repayable on demand while AAPC is granted 120 days repayment term.

Trust receipts

Trust receipts bear interests ranging from BLR + 0.5% to BLR + 1.25% (2011: BLR + 0.5% to BLR + 1.25%) per annum.

Bill discounting

Bill discounting bears interest at BLR + 0.5% per annum.

Revolving credits

Revolving credits bear interest ranging from cost of fund ("COF") + 2% to BLR + 0.75% (2011: COF + 2% to 2.5%) per annum.

Term loan

Term loan bears interest at COF + 2% per annum and is secured by Guarantee Cover from Credit Guarantee Corporation Malaysia Berhad ("CGC") as well as a corporate guarantee issued by the Company. This loan is repayable by way of 23 quarterly instalments starting from May 2013.

The above facilities (except for obligation under finance lease and term loan) are secured by way of existing deposits pledged to the financial institutions, corporate guarantee issued by the Company and jointly and severally guaranteed by certain Directors of the Group.

NOTES TO THE FINANCIAL STATEMENTS

22. Trade and other payables

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Current				
Trade payables				
Third parties	107,340,067	69,428,007	6,384,820	11,860,944
Amounts due to subsidiaries	-	-	57,690,203	98,248,951
	107,340,067	69,428,007	64,075,023	110,109,895
Other payables				
Amounts due to subsidiaries	-	-	-	908,723
Advances from Directors	2,132,258	1,132,258	2,132,258	1,132,258
Advances from customers	4,096,485	3,642,993	4,096,485	3,642,993
Sundry payables	4,772,206	3,490,155	375,499	1,992,732
Accruals	3,457,756	3,551,956	2,095,995	1,165,162
	14,458,705	11,817,362	8,700,237	8,841,868
	121,798,772	81,245,369	72,775,260	118,951,763
Non-current				
Trade payables				
Retention sum	12,273,102	9,344,672	389,462	1,476,351
Total trade and other payables	134,071,874	90,590,041	73,164,722	120,428,114
Add: Loans and borrowings (Note 21)	229,437,815	116,007,542	117,228,468	75,392,486
Total financial liabilities carried at amortised cost	363,509,689	206,597,583	190,393,190	195,820,600

(a) Trade payables

These amounts are non-interest bearing. The normal trade credit terms granted to the Group and the Company range from 30 to 90 days (2011: 30 to 90 days) although it is customary for the credit terms to be extended beyond 90 days but generally not more than 120 days.

Included in trade payables of the Group and of the Company are amounts due to a related party of RM4,383,593 (2011: RM21,840,002) and nil (2011: RM8,094,051) respectively.

(b) Amounts due to subsidiaries

These amounts are unsecured, non-interest bearing and repayable on demand.

(c) Advances from Directors and customers

These amounts are unsecured, non-interest bearing and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

23. Share capital and share premium

	Number of ordinary shares of RM0.50 each 2012 RM	2011 RM	Amounts 2012	2011
Authorised share capital:				
At beginning/end of year	200,000,000	200,000,000	100,000,000	100,000,000

	Number of ordinary shares of RM0.50 each	Amounts		
	Share capital	Share capital RM	Share premium RM	Total share capital and share premium RM
Issued and fully paid:				
At 1 November 2010	145,000,000	72,500,000	15,204,519	87,704,519
Transaction cost	-	-	(41,273)	(41,273)
At 31 October 2011	145,000,000	72,500,000	15,163,246	87,663,246
Ordinary shares issued for cash				
- Under private placement	14,500,000	7,250,000	18,850,000	26,100,000
- Under ESOS	432,500	216,250	414,222	630,472
Transaction cost	-	-	(418,932)	(418,932)
At 31 October 2012	159,932,500	79,966,250	34,008,536	113,974,786

The Company's issued and paid up share capital was listed on the Main Market of Bursa Malaysia Securities Berhad on 15 October 2010. During the financial year, the Company increased its issued and paid-up ordinary share capital from RM72,500,000 to RM79,966,250 by way of:

(i) an issuance of 14,500,000 ordinary shares of RM0.50 each at an issue price of RM1.80 per share through Private Placement for cash, for additional working capital purposes. The share premium of RM18,850,000 arising from the issuance of ordinary shares and the share issuance costs of RM418,932 have been included in the share premium account.

(ii) an issuance of 432,500 ordinary shares of RM0.50 each through the exercise of ESOS by eligible employees of the Group. The share premium of RM414,222 arising from the issuance of ordinary shares has been included in the share premium account.

These new issued ordinary shares rank pari passu in all respects with the 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 share premium arises from the issuance of ordinary shares and the related share issue costs have been included in the share premium account.

NOTES TO THE FINANCIAL STATEMENTS

24. Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of a subsidiary whose functional currency is different from that of the Group's presentation currency. This reserve relates to a subsidiary that has been classified as held for sale in the previous year and disposed off in the current year.

25. Foreign statutory reserve

The foreign statutory reserve was created to comply with the Qatar Commercial Companies Law. Under the said laws, 10% of the net profit for the year was to be transferred to the statutory reserve until such time as a minimum of 50% of the share capital is set aside. This reserve is non-distributable except in certain circumstances as described in the said law. This reserve relates to a subsidiary that has been classified as held for sale in the previous year and disposed off in the current year.

26. Reverse acquisition reserve

In accordance with the principles of reverse acquisition in FRS 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.

27. Employee share option reserve

Employee share option reserve represents the equity-settled share options granted to employees (Note 29). The reserve is made up of the cumulative value of services received from 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.

28. Retained earnings

Prior to the year of assessment 2008, Malaysian companies adopted the full imputation system. In accordance with the Finance Act, 2007 which was gazetted on 28 December 2007, companies shall not be entitled to deduct tax on dividends paid, credited or distributed to its shareholders, and such dividends will be exempted from tax in the hands of the shareholders ("single tier system"). However, there is a transitional period of six years, expiring on 31 December 2013, to allow companies to pay franked dividends to their shareholders under limited circumstances. Companies also have an irrevocable option to disregard the Section 108 of the Malaysian Income Tax Act, 1967 ("Section 108") balance and opt to pay dividends under the single tier system. The change in the tax legislation also provides for the Section 108 balance to be locked-in as at 31 December 2007 in accordance with Section 39 of the Finance Act, 2007.

As at 31 October 2012 and 2011, the Company does not have any Section 108 balance. The Company may distribute dividends out of its entire retained earnings as at 31 October 2012 and 2011 under the single tier system.

29. Employee share option plans

The Cypark Resources Berhad Group's Employee Share Options Scheme ("ESOS") is governed by the By-Laws approved by the shareholders at an Extraordinary General Meeting held on 22 September 2010.

The salient features of the ESOS are as follows:

(i) The ESOS options (2010 options) shall be in force commencing 14 October 2010 and expiring on 13 October 2015 while the ESOS options (2011 options) shall be in force commencing 22 December 2011 and expiring on 13 October 2015;

(ii) The Option Committee appointed by the Board of Directors to administer the ESOS, may from time to time grant options to eligible employees of the Group to subscribe for new ordinary shares of RM0.50 each in the Company;

(iii) The total number of new ordinary shares to be offered under the ESOS shall not exceed in aggregate fifteen (15) per centum of the issued and paid-up share capital of the Company at any point in time during the existence of the ESOS and out of which not more than 50% of the shares shall be allocated, in aggregate, to Executive Directors and senior management. In addition, not more than 10% of the 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;

(iv) Eligible persons are employees and Executive Directors in full time employment (including contract employees) and payroll of at least one (1) company within the Group and have attained the age of eighteen (18) years;

(v) The criterion of allotment of new shares is by reference to the category of the eligible persons in consideration with due regard to the performance in the Group and seniority of the eligible persons;

(vi) The price at which the grantee is entitled to subscribe for each ordinary share under the ESOS shall be:

(a) in respect of any offer which is made in conjunction with the listing of the Company on the Main Market of Bursa Malaysia Securities Berhad, the initial public offer price to Malaysian public; or

(b) in respect of any offer which is made subsequent to the listing of the Company on the Main Market of Bursa Malaysia Securities Berhad, set at a discount of not more than ten per centum (10%) of the 5-day weighted average market price of the ordinary shares of the Company for the five (5) market days immediately preceding the date of the offer, or the par value of such share of the Company, whichever is higher.

(vii) In respect of offers which have been made, 50% of the options shall become exercisable after the period of six (6) months from the date of the offer, and the remaining balance of the accepted ESOS shall become exercisable after one (1) year from the date of the respective offer. The employees' entitlements to the options are vested as soon as they become exercisable; and

(viii) All new ordinary shares issued upon exercise of the options granted under the ESOS will rank pari passu in all respects with the existing ordinary shares of the Company except that the new ordinary shares issued shall not rank for any dividend, rights or other distributions declared, made or paid to shareholders prior to the date of allotment.

29. Employee share option plans (cont'd)

Movement of share options during the financial year

The following table illustrates the number and Weighted Average Exercise Prices ("WAEP") of, and movements in, share options during the financial year:

2010 Options

	Group/Company			
	2012		2011	
	Number	WAEP RM	Number	WAEP RM
Outstanding at 1 November	3,650,000	1.10	-	-
- Granted	-	1.10	3,650,000	1.10
- Exercised	(175,000)	1.10	-	-
Outstanding at 31 October	3,475,000	1.10	3,650,000	1.10
Exercisable at 31 October	3,475,000	1.10	3,650,000	1.10

2011 Options

Outstanding at 1 November	-	1.34	-	-
- Granted	6,578,000	1.34	-	-
- Exercised	(257,500)	1.34	-	-
Outstanding at 31 October	6,320,500	1.34	-	-
Exercisable at 31 October	6,320,500	1.34	-	-

The weighted average remaining contractual life of these options is 3 years.

Fair value of share options granted

The fair value of share options granted during the financial period was estimated at the grant date using the binomial option pricing model, taking into account the terms and conditions upon which the instruments were granted.

The fair value of share options granted is estimated at the date of the grant using a Monte Carlo simulation model, taking into account the terms and conditions upon which the options were granted. The model simulates the total shareholder return and compares it against the group of principal competitors. 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.

NOTES TO THE FINANCIAL STATEMENTS

29. Employee share option plans (cont'd)

The following table lists the inputs to the option pricing models for the years ended 31 October 2012 and 2011:

2010 Options	**2012**	**2011**
Weighted average share price (RM)	1.04	1.04
Weighted average exercise price (RM)	1.10	1.10
Expected volatility (%)	40.00	40.00
Expected life (years)	5.00	5.00
Risk-free interest rate (%)	2.30	2.30
Dividend yield (%)	2.88	2.88

2011 Options		
Weighted average share price (RM)	1.38	-
Weighted average exercise price (RM)	1.34	-
Expected volatility (%)	20.00	-
Expected life (years)	3.80	-
Risk-free interest rate (%)	3.00	-
Dividend yield (%)	2.21	-

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

30. Related party transactions

(a) Sale and purchase of goods and services

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	2012 RM	**2011 RM**
Group		
Accounting fees receivable from a related party*	(30,000)	(30,000)
Amount payable to a related party for work performed on the landfill project*	-	22,650,509

NOTES TO THE FINANCIAL STATEMENTS

30. Related party transactions (cont'd)

(a) Sale and purchase of goods and services (cont'd)

	2012 RM	2011 RM
Company		
Operating and management fees payable to a subsidiary	720,000	720,000
Secondment fees payable to a subsidiary	192,000	192,000
Amount payable to a subsidiary for work performed on the landfill project	14,278,450	80,763,421
Amount payable to a related party for work performed on the landfill project*	-	8,168,265

* Related party refers to a company in which certain Directors have financial interests, namely CyEn Resources Sdn. Bhd.

(b) Compensation of key management personnel

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Short term employee benefit	2,426,980	2,250,680	1,854,528	1,822,680
Defined contribution plan	241,912	215,580	173,212	164,220
Share options granted under ESOS	1,136,888	700,426	633,893	700,426
Other benefits	1,343	1,860	723	1,240
	3,807,123	3,168,546	2,662,356	2,688,566

Included in the total key management personnel are:

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Directors' remuneration (Note 8)	2,123,900	2,222,241	2,254,260	2,222,241

Directors' interest in employee share option scheme

During the financial year, 2,000,000 (2011: 2,400,000) share options were granted to one (2011: two) of the Company's Executive Directors under the employee share option scheme (Note 29) at an exercise price of RM1.34 (2011: RM1.10) each.

No options were exercised by the above-mentioned Director during the financial year.

At the reporting date, the total number of outstanding share options granted by the Company to the above-mentioned Director under the employee share option scheme amounted to 3,400,000 (2011: 2,400,000). No share options have been granted to the Company's Non-Executive Directors.

NOTES TO THE FINANCIAL STATEMENTS

31. Commitments

(a) Capital commitments

Capital expenditure as at the reporting date is as follows:

	Group	
	2012	**2011**
	RM	**RM**
Capital expenditure		
Approved and contracted for:		
Plant and equipment	2,667,449	39,969,806

(b) Operating lease commitments - as lessee

The Group has entered into commercial leases on certain motor vehicles, premises, site and office equipment. The Group is restricted from subleasing the leased equipment to third parties.

Future minimum rentals payable under non-cancellable operating leases at the reporting date are as follows:

	Group		Company	
	2012	**2011**	**2012**	**2011**
	RM	**RM**	**RM**	**RM**
Not later than 1 year	1,699,442	563,169	908,020	272,425
Later than 1 year but not later than 5 years	1,958,605	191,370	434,400	11,500
Later than 5 years	4,832,284	138,500	-	9,000
	8,490,331	893,039	1,342,420	292,925

The Group has finance leases for certain items of motor vehicles (Note 12).

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

(c) Finance lease commitments

	Group	
	2012	**2011**
	RM	**RM**
Minimum lease payments:		
Not later than 1 year	360,648	340,812
Later than 1 year but not later than 2 years	360,648	340,812
Later than 2 years but not later than 5 years	878,030	955,131
Later than 5 years	169,395	146,797
Total minimum lease payments	1,768,721	1,783,552
Less: Amounts representing finance charges	(215,994)	(240,684)
Present value of minimum lease payments	1,552,727	1,542,868

31. Commitments (cont'd)

(c) Finance lease commitments (cont'd)

	Group	
	2012	**2011**
	RM	**RM**
Present value of payments:		
Not later than 1 year	286,402	260,800
Later than 1 year but not later than 2 years	303,154	276,680
Later than 2 years but not later than 5 years	799,308	862,140
Later than 5 years	163,863	143,248
Present value of minimum lease payments	1,552,727	1,542,868
Less: Amount due within 12 months (Note 21)	(286,402)	(260,800)
Amount due after 12 months (Note 21)	1,266,325	1,282,068

32. Contingent liabilities

	Group		Company	
	2012	**2011**	**2012**	**2011**
	RM	**RM**	**RM**	**RM**
Unsecured:				
- Litigation claims	1,192,894	1,192,894	-	-

The litigation claims relate to the dispute in the final amount claimed by a sub-contractor. The Group with the advice of its solicitors, is confident of defending this case. Accordingly, the amount claimed has not been provided for in the financial statements.

33. Fair value of financial instruments

<u>Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value</u>

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	17
Cash and bank balances	19
Loan and borrowings (current)	21
Loan and borrowings (non-current)	21
Trade and other payables	22

33. Fair value of financial instruments (cont'd)

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to their short-term nature.

The carrying amounts of the current portion of loans and borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

The fair values of loans and borrowings are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

Amount due from/(to) subsidiaries and finance lease obligations

The fair values of these financial instruments are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

34. 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, liquidity risk, interest rate risk and foreign currency risk.

The Board of Directors 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 do not apply hedge accounting.

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.

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 on-going basis with the result that the Group's exposure to bad debts is not significant.

34. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

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 RM182,500,000 (2011: RM111,830,000) and nil (2011: RM8,681,040) relating to corporate guarantees provided by the Company to financial institutions on its subsidiaries' bank loans and the purchase of plant and equipment by a subsidiary respectively.

Credit risk concentration profile

At the reporting date, the Group has a significant concentration of credit risk in the form of outstanding balances from four customers (2011: one customer) representing approximately 87% (2011: 86%) 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 17. 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.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 17.

(b) Liquidity risk

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.

34. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (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.

	2012				
	On demand or within one year RM	**One to two years RM**	**Two to five years RM**	**Over five years RM**	**Total RM**
Group					
Financial liabilities:					
Trade and other payables, excluding financial guarantees*	121,798,772	12,377,238	-	-	134,176,010
Loans and borrowings	144,071,490	18,703,154	45,499,308	21,163,863	229,437,815
Total undiscounted financial liabilities	265,870,262	31,080,392	45,499,308	21,163,863	363,613,825
Company					
Financial liabilities:					
Trade and other payables, excluding financial guarantees*	72,775,260	389,462	-	-	73,164,722
Loans and borrowings	117,228,468	-	-	-	117,228,468
Total undiscounted financial liabilities	190,003,728	389,462	-	-	190,393,190

34. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities (contd.)

	2011				
	On demand or within one year RM	One to two years RM	Two to five years RM	Over five years RM	Total RM
Group					
Financial liabilities:					
Trade and other payables, excluding financial guarantees*	81,245,369	11,120,564	-	-	92,365,933
Loans and borrowings	114,805,486	340,812	955,131	146,797	116,248,226
Total undiscounted financial liabilities	196,050,855	11,461,376	955,131	146,797	208,614,159
Company					
Financial liabilities:					
Trade and other payables, excluding financial guarantees*	118,951,763	1,827,148	-	-	120,778,911
Loans and borrowings	75,392,486	-	-	-	75,392,486
Total undiscounted financial liabilities	194,344,249	1,827,148	-	-	196,171,397

* At the reporting date, the counterparties to the bank guarantees does not have a right to demand cash as the default has not occurred. Accordingly, financial guarantees under the scope of FRS 139 are not included in the above maturity profile analysis.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and 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.

34. Financial risk management objectives and policies (cont'd)

(c) Interest rate risk (cont'd)

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 25 basis points higher, with all other variables held constant, the Group's profit net of tax would have been RM573,000 lower, arising mainly as a result of an increase in the fair value of fixed rate term loans. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(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.

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

In the previous years, the Group was exposed to currency translation risk arising from its net investment in foreign operation in Qatar. The functional currency of the foreign operation was Qatari Riyal. As the subsidiary has been disposed off during the financial year, the Group is no longer exposed to foreign currency risk of Qatari Riyal arising from its net investment in foreign operation in Qatar.

The net unhedged financial assets of the Group that are not denominated in their functional currency are as follows:

	Net financial assets held in non-functional currency
Functional currency of the foreign operation	**Qatari Riyal**
At 31 October 2011	
Ringgit Malaysia	236,825

35. 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 maximise shareholder 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 years ended 31 October 2012 and 31 October 2011.

35. Capital management (cont'd)

In previous reporting period, as disclosed in Note 25, a subsidiary of the Group was required by the Qatar Commercial Companies Law to maintain a non-distributable statutory reserve fund. This external imposed capital requirement had been complied with by the above-mentioned subsidiary for the financial year ended 31 October 2011. As the said subsidiary had been disposed off during the current financial year, the Group is not required to comply with this requirement in the current reporting period.

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 between 30% and 50%. The Group includes within net debt, loans and borrowings less cash and bank balances. Capital includes equity attributable to the owners of the parent.

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Loans and borrowings (Note 21)	229,437,815	116,007,542	117,228,468	75,392,486
Less: Cash and bank balances (Note 19)	(79,880,612)	(76,932,485)	(42,858,891)	(41,170,376)
Net debt	149,557,203	39,075,057	74,369,577	34,222,110
Equity attributable to the owners of the parents, representing total capital	152,631,298	105,355,861	136,155,295	112,869,988
Capital and net debt	302,188,501	144,430,918	210,524,872	147,092,098
Gearing ratio	49.5%	27.1%	35.3%	23.3%

36. Segment information

For management purposes, the Group is organised into geographical segments based on the location of the Group's assets and customers. The Group's risks and rates of return are affected predominantly by differences in the geographical locations. The operating businesses are organised and managed separately according to the geographical location of the assets of the Group, with each segment representing a strategic business unit that serves customers in different geographical locations.

The Group operates in two geographical areas as follows:

(i) Malaysia - the operations in this area are principally through Cypark Sdn. Bhd., Cypark Renewable Energy Sdn. Bhd. and Cypark Suria (Pajam) Sdn. Bhd. This segment also includes the results of the Company which is an investment holding company.

(ii) Middle East - the operations in this area are principally through Cypark Landscape Services Qatar WLL. However, during the financial year, the subsidiary has been disposed off, as disclosed in Note 15.

36. Segment information (cont'd)

Management monitors the operating results of its geographical segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group income taxes are managed on a group basis and are not allocated to geographical segments.

	Malaysia	Middle East (discontinued)	Elimination	Total
	RM	RM	RM	RM
2012				
Revenue				
Sales to external customers	195,801,612	-	-	195,801,612
Inter-segment sales	46,595,307	-	(46,595,307)	-
Total revenue	242,396,919	-	(46,595,307)	195,801,612
Results				
Segment results	43,530,302	-	(616,977)	42,913,325
Finance cost	(8,775,393)	-	-	(8,775,393)
Profit before tax	34,754,909	-	(616,977)	34,137,932
Income tax expense				(8,526,720)
Segment profit				25,611,212
Assets				
Segment assets	723,589,451	-	(202,921,974)	520,667,477
Liabilities				
Segment liabilities	528,167,456	-	(160,131,277)	368,036,179
Other segment information				
Capital expenditure	93,609,243	-	(356,050)	93,253,193
Depreciation	1,978,293	-	-	1,978,293
Share-based payment	1,424,466	-	-	1,424,466

NOTES TO THE FINANCIAL STATEMENTS

36. Segment information (cont'd)

	Malaysia	Middle East (discontinued)	Elimination	Total
	RM	RM	RM	RM
2011				
Revenue				
Sales to external customers	161,530,920	-	-	161,530,920
Inter-segment sales	80,763,581	-	(80,763,581)	-
Total revenue	242,294,501		(80,763,581)	161,530,920
Results				
Segment results	35,408,670	(164,185)	(986,783)	34,257,702
Finance cost	(6,771,311)	-	-	(6,771,311)
Profit before tax	28,637,359	(164,185)	(986,783)	27,486,391
Income tax expense				(7,234,398)
Segment profit				20,251,993
Assets				
Segment assets	473,306,343	23,765,480	(155,920,803)	341,151,020
Liabilities				
Segment liabilities	325,479,405	23,070,772	(112,755,018)	235,795,159
Other segment information				
Capital expenditure	4,760,525	-	-	4,760,525
Depreciation	548,300	-	-	548,300
Impairment loss on trade receivable	156,241	-	-	156,241
Provision for legal claim	1,894,720	-	-	1,894,720
Share-based payment	774,714	-	-	774,714

The following items are added to/(deducted from) segment profit to arrive at "Profit before tax from continuing operations" presented in the consolidated statements of comprehensive income:

	Group	
	2012	2011
	RM	RM
Segment results of discontinued operation	32,811	164,185
Inter-segment profit	(649,788)	(1,150,968)
	(616,977)	(986,783)

36. Segment information (cont'd)

The following items are added to/(deducted from) segment assets to arrive at total assets reported in the statements of financial position:

	Group 2012 RM	Group 2011 RM
Deferred tax assets	522,836	150,117
Inter-segment assets	(203,444,810)	(156,070,920)
	(202,921,974)	(155,920,803)

The following items are added to/(deducted from) segment liabilities to arrive at total liabilities reported in the statements of financial position:

	Group 2012 RM	Group 2011 RM
Deferred tax liabilities	324,643	343,422
Inter-segment liabilities	(160,455,920)	(113,098,440)
	(160,131,277)	(112,755,018)

Business segments

The Group comprises the following business segments:

(i)	Landscaping	Provision of landscape services for public parks, public amenities and other landscape developments; and
(ii)	Maintenance	Maintenance of landscape services for public parks, public amenities and other landscape developments; and
(iii)	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
(iv)	Renewable Energy	Sale of electricity generated from the renewable energy park.

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.

36. Segment information (cont'd)

The following provides an analysis of the Group's revenue, carrying amount of segment assets and capital expenditure, analysed by business segments:

	Carrying amount of segment assets RM	Capital expenditure RM	Total revenue from external customers RM
2012			
Landscaping	13,328,905	203,487	17,993,559
Maintenance	2,492,306	60	1,463,600
Environmental Engineering	398,471,586	1,004,626	171,009,061
Renewable Energy	106,374,680	92,045,020	5,335,392
	520,667,477	93,253,193	195,801,612
2011			
Landscaping	70,348,785	267,965	9,660,000
Maintenance	464,031	520	963,600
Environmental Engineering	263,779,791	27,206	150,907,320
Renewable Energy	6,558,413	4,464,834	-
	341,151,020	4,760,525	161,530,920

Information about major customers

The following details relates to major customers with revenue equal or more than 10% of the Group's total revenue and all these revenue arose from the sales by the environmental engineering segment:-

	Number of customers	Revenue RM	Percentage of total revenue %
2012			
Environmental Engineering	4	167,569,459	86%
2011			
Environmental Engineering	1	150,532,602	93%

37. Dividends

	Group/Company 2012 RM	2011 RM
Recognised during the financial year:		
Dividends on ordinary shares:		
First and final tax exempt (single-tier) dividend of 2.625 sen per share	-	3,806,250
First and final tax exempt (single-tier) dividend of 3.75 sen per share	5,993,906	-
Total	5,993,906	3,806,250

At the forthcoming Annual General Meeting, a final tax exempt (single-tier) dividend in respect of the financial year ended 31 October 2012 of 4.00 sen per share on 159,957,500 ordinary shares, amounting to a dividend payable of RM6,398,300 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 October 2013.

38. Significant event

The Group had on 13 February 2012 entered into a sale and purchase of shares agreement with Creative Solutions International Ltd for the disposal of 98,000 shares of QAR1.00 each in the capital of Cypark Landscape Services Qatar W.L.L ("CLSQ") representing its entire interest in the capital of CLSQ, for a total cash consideration of RM460,000, resulting in a loss on disposal of RM12,929 (Note 7). The subsidiary was previously classified under "Disposal group classified as held for sale" as at 31 October 2011 as disclosed in Note 10.

39. Subsequent events

(i) On 4 February 2013, the Company acquired 100% equity interest in Cypark International Sdn Bhd from its wholly owned subsidiary, Cypark Sdn. Bhd. at a total consideration of RM2.

(ii) On 4 February 2013, the Company disposed off its wholly owned subsidiary, Cypark Smart Technology (Holdings) Sdn. Bhd. to its subsidiary, Cypark International Sdn. Bhd. at a total consideration of RM2.

The acquisition and disposal of subsidiaries as mentioned above do not have any material effect on the financial results and financial performance of the Group and of the Company.

40. Comparatives

The following comparative figures have been reclassified to conform with current year's presentation:

	As previously stated RM	Re-classifications RM	As restated RM
Statements of cash flows:			
Group			
31 October 2011			
Proceeds from borrowings	1,387,082	18,006,621	19,393,703
Cash and cash equivalents at end of year (Note 19)	6,744,431	18,006,621	24,751,052
Company			
31 October 2011			
Proceeds from borrowings	4,877,611	18,006,621	22,884,232
Cash and cash equivalents at end of year (Note 19)	(25,294,499)	18,006,621	(7,287,878)

41. Supplementary information – breakdown of retained profits into realised and unrealised

The breakdown of the retained earnings of the Group and of the Company as at 31 October 2012 and 31 October 2011 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Total retained earnings				
- Realised	74,084,006	54,905,388	19,225,010	24,295,247
- Unrealised	189,900	(215,977)	420,487	136,781
	74,273,906	54,689,411	19,645,497	24,432,028
Less: Consolidation adjustments	(1,023,652)	(1,023,652)	-	-
Total retained earnings	73,250,254	53,665,759	19,645,497	24,432,028

ANALYSIS OF SHAREHOLDINGS

As at 6 March 2013

Statistics Of Shareholdings As At 6 March 2013

Authorised Share Capital	: RM100,000,000.00
Issued & Paid Up Capital	: RM79,978,750.00
Class of Shares	: Ordinary Shares of RM0.50 per share
Voting Rights	: One (1) vote per ordinary share

Size of Shareholdings	No. of Shareholders	%	No. of Shares Held	%
1 – 99	6	0.21	64	0.00
100 – 1,000	356	12.26	303,336	0.19
1,001 – 10,000	1,828	62.95	9,153,700	5.72
10,001 – 100,000	602	20.73	17,910,900	11.20
100,001 – 7,997,874 (*)	108	3.72	74,844,500	46.79
7,997,875 and above (**)	4	0.14	57,745,000	36.10
TOTAL	**2,904**	**100.00**	**159,957,500**	**100.00**

Remark : * less than 5% of issued shares
: ** 5% and above of issued shares

Substantial Shareholders

The substantial shareholders of Cypark Resources Berhad based on the Register of Substantial Shareholders of the Company and their respective shareholdings as at 6 March 2013 are as follows:-

	No. of Shares Direct	%	No. of Shares Indirect	%
Tan Sri Razali bin Ismail	46,325,600	28.96	-	-
Daud bin Ahmad	12,719,400	7.95	-	-

Directors' Shareholdings

The Directors' Shareholdings based on the Register of Directors' Shareholdings of Cypark Resources Berhad as at 28 February 2013 are as follows:-

	Direct Interest		Indirect Interest	
	No. of Shares Held	%	No. of Shares Held	%
Tan Sri Razali bin Ismail	46,325,600	28.96	-	-
Daud bin Ahmad	12,719,400	7.95	-	-
Dato' Dr. Freezailah bin Che Yeom	100,000	0.06	-	-
Headir bin Mahfidz	25,000	0.02	-	-
Encik Megat Abdul Munir bin Megat Abdullah Rafaie	20,000	0.01	-	-
Datuk Abdul Malek bin Abdul Aziz	11,000	0.01	-	-

ANALYSIS OF SHAREHOLDINGS

As at 6 March 2013

The 30 Largest Securities Account Holders

No.	Shareholders	No. of Share	%
1	EB Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Razali bin Ismail (KLM)	20,354,680	12.73
2	Razali bin Ismail	13,470,920	8.42
3	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Razali bin Ismail (8095427)	12,500,000	7.81
4	Daud bin Ahmad	11,419,400	7.14
5	Amanahraya Trustees Berhad Public Smallcap Fund	7,493,200	4.68
6	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (LPF)	3,346,600	2.09
7	AIBB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chua Ma Yu	3,000,000	1.88
8	Kumpulan Wang Simpanan Guru-Guru (051-001-053486411)	2,850,000	1.78
9	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for MAAKL Al-Fauzan (5170)	2,687,000	1.68
10	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Alliance Inv)	2,500,000	1.56
11	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for OSK-UOB Small Cap Opportunity Unit Trust (3548)	2,183,200	1.36
12	Cartaban Nominees (Tempatan) Sdn Bhd Exempt an for Eastspring Investments Berhad	2,134,000	1.33
13	Maybank Nominees (Tempatan) Sdn Bhd Malaysian Trustees Berhad for AMB Smallcap Trust Fund (240165)	2,121,600	1.33
14	Siow Kwang Khee	2,000,000	1.25
15	AMSEC Nominees (Tempatan) Sdn Bhd AMtrustee Berhad for Pacific Pearl Fund (UT-PM-PPF)	1,796,000	1.12
16	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for OSK-UOB Growth and Income Focus Trust (4892)	1,763,100	1.10
17	Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad for Public Balanced Fund (N14011950210)	1,725,000	1.08

ANALYSIS OF SHAREHOLDINGS

As at 6 March 2013

The 30 Largest Securities Account Holders (cont'd)

No.	Shareholders	No. of Share	%
18	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for OSK-UOB Smart Treasure Fund (4694-002)	1,700,000	1.06
19	ECML Nominees (Tempatan) Sdn. Bhd Pledged Securities Account for Gan Eng Liong	1,630,100	1.02
20	Amanahraya Trustees Berhad Public Equity Fund	1,563,300	0.98
21	Universal Trustee (Malaysia) Berhad Alliance Dana Adib	1,400,000	0.88
22	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Daud bin Ahmad	1,300,000	0.81
23	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (LBF)	1,285,000	0.80
24	UOBM Nominees (Tempatan) Sdn Bhd UOB-OSK Asset Management Sdn Bhd for Uni.Asia Life Assurance Berhad (Par Fund)	1,260,100	0.79
25	Cartaban Nominees (Asing) Sdn Bhd Ssbt Fund Vaas for Vanderbilt University	1,256,500	0.79
26	HSBC Nominees (Asing) Sdn Bhd Exempt an for Credit Suisse (SG BR-TST-Asing)	1,226,800	0.77
27	Kumpulan Wang Simpanan Guru-Guru (201-001-012672671)	1,152,000	0.72
28	Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad for MAAKL Value Fund (950290)	1,103,200	0.69
29	Kumpulan Wang Simpanan Guru-Guru (079-001-050061910)	1,000,000	0.63
30	ECML Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chye Ao Hsiang	878,000	0.55
	TOTAL	**110,099,700**	**68.83**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Eighth Annual General Meeting ("8th AGM") of the Company will be held at Boardroom 4, Level 3, Eastin Hotel, 13, Jalan 16/11, Pusat Dagang Seksyen 16, 46350 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 17 April 2013 at 10:00 a.m. for the following purposes:-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 October 2012 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 final tax exempt single tier dividend of 4.00 sen per ordinary share for the financial year ended 31 October 2012. **(Resolution 1)**

3. To approve the payment of Directors' fees for the financial year ending 31 October 2013 and thereafter. **(Resolution 2)**

4. To re-elect Encik Headir Bin Mahfidz, who is retiring in accordance with Article 84 of the Company's Articles of Association and being eligible, has offered himself for re-election. **(Resolution 3)**

5. To re-elect Encik Megat Abdul Munir Bin Megat Abdullah Rafaie, who is retiring in accordance with Article 91 of the Company's Articles of Association and being eligible, has offered himself for re-election. **(Resolution 4)**

6. To pass the following resolutions pursuant to Section 129(6) of the Companies Act, 1965 :-

   (a) "That Tan Sri Razali Bin Ismail, who is retiring pursuant to Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed as Director of the Company and to hold office until the conclusion of the next Annual General Meeting." **(Resolution 5)**

   (b) "That Dato' Dr. Freezailah Bin Che Yeom, who is retiring pursuant to Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed as Director of the Company and to hold office until the conclusion of the next Annual General Meeting." **(Resolution 6)**

   (c) "That Datuk Abdul Malek Bin Abdul Aziz, who is retiring pursuant to Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed as Director of the Company and to hold office until the conclusion of the next Annual General Meeting." **(Resolution 7)**

7. To re-appoint Messrs. Ernst & Young as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. **(Resolution 8)**

   <u>As Special Business</u>

   To consider and if thought fit, with or without any modification, to pass the following Ordinary and Special Resolutions:-

8. **ORDINARY RESOLUTION NO. 1** **(Resolution 9)**
   - **PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

NOTICE OF ANNUAL GENERAL MEETING

"**THAT** subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the Proposed Renewal of Existing Shareholders' 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 26 March 2013 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 Shareholders' Mandate**");

THAT the authority for the Proposed Shareholders' Mandate shall continue to be in force until the earlier of:-

(i) the conclusion of the next Annual General Meeting of the Company at which time it will lapse unless the authority is renewed by a resolution passed at the next Annual General Meeting;

(ii) the expiration of the period within which the next Annual General Meeting is to be held pursuant to Section 143(1) of the Companies Act, 1965 ("**the Act**") but must not extend to such extension as may be allowed pursuant to Section 143(2) of the Act; or

(iii) is revoked or varied by resolution passed by the shareholders in a general meeting before the next Annual General Meeting;

AND FURTHER 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 Ratification and Proposed Shareholders' Mandate."

9. **ORDINARY RESOLUTION NO. 2** **(Resolution 10)**
- PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK

"**THAT**, subject to the compliance with Section 67A of the Companies Act, 1965 and all other applicable laws, rules and regulations, approval be and is hereby given to the Company, to purchase such amount of ordinary shares of RM0.50 each 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 issued and paid-up 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 and share premium account of the Company, upon such terms and conditions as set out in the Circular to Shareholders dated 26 March 2013.

AND 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.

AND 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 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.

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."

10. **ORDINARY RESOLUTION NO. 3** **(Resolution 11)**
    - **AUTHORITY TO ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965**

"**THAT** subject to Section 132D of the Act and approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the Company, at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the issued and paid-up share capital of the Company for the time being and 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 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."

11. To transact any other ordinary business of which due notice shall have been given.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

Notice is hereby given that the final tax exempt single tier dividend of 4.00 sen per ordinary share for the financial year ended 31 October 2012, if approved by the shareholders at the Eighth Annual General Meeting, will be payable on 13 June 2013 to shareholders whose names appear in the Record of Depositors on 14 May 2013.

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 14 May 2013 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.

By Order of the Board

CHUA SIEW CHUAN (MAICSA 0777689)
YEOW SZE MIN (MIA 31521)
Company Secretaries
Kuala Lumpur

Dated : 26 March 2013

NOTES:

1. In respect of deposited securities, only members/shareholders whose names appear in the Record of Depositors on 10 April 2013 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. Where a member/shareholder appoints more than one (1) proxy to attend and vote at the Meeting, such appointment shall be invalid unless he specifies the proportions of his 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 and the provisions of Section 149 (1)(a) and (b) of the Companies Act, 1965 ("**the Act**") shall not apply to the Company. 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.

7. This Agenda item is meant for discussion only, as the provision of Section 169(1) 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 9 – Proposed Shareholders' Mandate**

   The proposed Resolution 9 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 26 March 2013 for further information.

   (ii) **Resolution 10 – Proposed Authority for the Company to Purchase Its Own Shares**

   The proposed Resolution 10 is intended to allow the Company to purchase its own shares up to 10% of the total issued and paid-up capital of the Company at any time within the time period stipulated in the Main Market Listing Requirements of Bursa Securities.

   Please refer to the Circular/Statement to Shareholders dated 26 March 2013 for further information.

   (iii) **Resolution 11 – Authority to Issue Shares**

   The proposed Resolution 11 is intended to renew the authority granted to the Directors of the Company at the Seventh Annual General Meeting of the Company held on 23 April 2012 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 issued share capital of the Company for the time being (hereinafter referred to as the "**General Mandate**").

   The General Mandate granted by the shareholders at the Seventh 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.

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CYPARK RESOURCES BERHAD
(Company No. 642994-H)
(Incorporated in Malaysia)

FORM OF PROXY

CDS Account No.	
Number of ordinary shares.	

*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	
		No. of Shares	%
Full Address			

and/or failing *him/her,

Second Proxy "B"

Full Name (in Block)	NRIC/ Passport No.	Proportion of Shareholdings	
		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 Eighth Annual General Meeting of the Company to be held at Boardroom 4, Level 3, Eastin Hotel, 13, Jalan 16/11, Pusat Dagang Seksyen 16, 46350 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 17 April 2013 at 10:00 a.m. and at any adjournment thereof.

In the case of a vote by a show of hands, my proxy ______________ (one only) shal l 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 2012 together with the Reports of the Directors and the Auditors thereon.			
		Resolution	**For**	**Against**
2.	To approve the declaration and payment of a final tax exempt single tier dividend of 4.00 sen per ordinary share for the financial year ended 31October 2012.			
3.	To approve the payment of Directors' fees for the financial year ending 31 October 2013 and thereafter.			
4.	To re-elect Encik Headir bin Mahfidz, who is retiring in accordance with Article 84 of the Company's Articles of Association and being eligible, has offered himself for re-election.			
5.	To re-elect Encik Megat Abdul Munir bin Megat Abdullah Rafaie, who is retiring in accordance with Article 91 of the Company's Articles of Association and being eligible, has offered himself for reelection.			
6 (a).	To re-appoint Tan Sri Razali bin Ismail, who is retiring pursuant to Section 129(6) of the Companies Act, 1965, be and is hereby reappointed as Director of the Company.			
6 (b).	To re-appoint Dato' Dr. Freezailah bin Che Yeom, who is retiring pursuant to Section 129(6) of the Companies Act, 1965, be and is hereby reappointed as Director of the Company.			
6 (c).	To re-appoint Datuk Abdul Malek bin Abdul Aziz, who is retiring pursuant to Section 129(6) of the Companies Act, 1965, be and is hereby reappointed as Director of the Company.			
7.	To re-appoint Messrs. Ernst & Young as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.			
Special Business				
8.	Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue Or Trading Nature.			
9.	Proposed Renewal of Authority for Share Buy-Back.			
10.	Authority to Issue Shares pursuant to Section 132D of the Companies Act, 1965.			

As witness my/our hand(s) this day ___________________________ of ___________________________, 2013.

____
*Signature/Common Seal of Member

** Strike out whichever not applicable*

Notes :-

1 In respect of deposited securities, only members/shareholders whose names appear in the Record of Depositors on 10 April 2013 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. Where a member/shareholder appoints more than one (1) proxy to attend and vote at the Meeting, such appointment shall be invalid unless he specifies the proportions of his 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 and the provisions of Section 149 (1)(a) and (b) of the Companies Act, 1965 ("**the Act**") shall not apply to the Company. 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.

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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

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Cypark : At a Glance

Cypark Resources Berhad is a leading public listed company on the Main Board of KLSE. Cypark specialises in providing integrated renewable energy and environment engineering services, focusing on

- Integrated Renewable Energy Generation (Solar, Biogas, Biomass, Waste-to-Energy)
- Waste Management
- Environmental Remediation (i.e. Landfill Restoration)
- Scientific Closure and Remediation of Contaminated Land through Internally Developed Technology (COLARIS)
- Ground Water Assessment, Remediation and Information System (GARIS)
- Environmental Monitoring and Management, as well as
- Wastewater Treatment

Contact Information

Cypark endeavours to build customer loyalty by doing what we say we will do every time and on time. We believe the satisfaction of our customers is the best measure of our success.

For more information on our services, please contact us at:

Email:
- General Information: info@crbenv.com
- Investor Relations: irinfo@crbenv.com
- Media Contact: media@crbenv.com

Cypark Resources Berhad
(642994-H)

13A-09 Block A, Phileo Damansara II,
15, Jalan 16/11, 46350 Petaling Jaya, Selangor, Malaysia
t: +603 7660 6170 f: +603 7660 6169 e: info@crbenv.com

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