Renewed Environment
Renewable Energy

Cypark

Cypark Resources Berhad
(642994-H)

Restoring and Preserving
Our Natural Environment

Annual Report 2011

As a Green Utility Company, Cypark Specialises in :

Integrated Environmental Technology and Engineering Solutions

. Landfill Restoration
. Integrated Waste Management
. Waste Water Treatment
. Groundwater Assessment, Remediation Information System (GARIS)
. Contaminated Land Assessment, Remediation & Information System (COLARIS)
. Environment Management and Monitoring Services

Integrated Renewable Energy Technology and Power

. Solar
. Biomass
. Biogas
. Waste2Energy

Cypark

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

www.crbenv.com

The only ISO 9001:2008 Certified Integrated Environmental and Landscape Company in Malaysia

Specialist in Integrated Renewable Energy Environmental Engineering and Technology Waste Management

Enterprise 50 Award (year 2004)

Largest Grid-Connected Solar Park

Pajam, Negeri Sembilan, Malaysia

THE MALAYSIA BOOK of RECORDS

Most Number of Solar Panels on a Grid-Connected Solar Park (Safely Closed Landfill)

Pajam, Negeri Sembilan, Malaysia

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.

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.

COVER RATIONALE

Transforming landfills from an environmental bane to both an economic and environmental boon is the *raison d'etre* of our business. The cover reflects our commitment towards both environmental and energy transformation and sustainability.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

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

Siow Kwang Khee
Non-Executive Vice Chairman
Non-Independent Non-Executive Director

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

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

Hasan bin Haji Hamzah
Independent Non-Executive Director

Headir bin Mahfidz
Independent Non-Executive Director

AUDIT COMMITTEE

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

Members
Headir bin Mahfidz
Independent Non-Executive Director

Hasan Bin Haji Hamzah
Independent Non-Executive Director

NOMINATION COMMITTEE

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

Members
Hasan Bin Haji Hamzah
Independent Non-Executive Director

Siow Kwang Khee
Non-Independent Non-Executive Director

Headir bin Mahfidz
Independent Non-Executive Director

REMUNERATION COMMITTEE

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

Members
Hasan Bin Haji Hamzah
Independent Non-Executive Director

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

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: 03-20957077

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

EON Bank Berhad (92351-V)
11th Floor, Menara EON Bank
288 Jalan Raja Laut
50350 Kuala Lumpur
Tel: 03-2694 1188

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

Cypark
Cypark Resources Berhad

Note :
* - *Dormant*

CORPORATE MILESTONES

In light of the urgency to counter climate change and ensure energy security, Cypark has continued to train our focus on both environmental and economic transformation and, in the process, strengthening our position as driver of sustainable green energy in Malaysia.

The Group achieved several significant milestones throughout the year, and as we stand today, we are well positioned to capitalise on the structural growth opportunities presented by renewable energy. Many of the key development milestones achieved by the Group during the year have already been reported is worth reprising them here:

8 March

Cypark's initiative to build an Integrated Renewable Energy Park ("RE Park") on 26 hectares of remediated landfill in Pajam, Nilai, Negeri Sembilan was included as one of the Entry Point Projects of the Economic Transformation Programme as announced by the Prime Minister. The RE Park involves the integration of three potential resources available at the landfills i.e. Solar, Landfill gas (Biogas), and Waste (Biocell) into a scalable renewable energy project capable of generating up to 10 megawatts of power.

17 March

Cypark's Integrated Renewable Energy Park in Pajam, Negeri Sembilan was officiated by Prime Minister, Datuk Seri Najib Tun Razak.

5 April

Cypark accepted the Letter of Award from Putrajaya Holdings Sdn. Bhd. for the contract for the Proposed Construction and Completion of the Rectification Works for Road R11 at Precinct 5, Putrajaya.

14 September

Cypark accepted the Letter of Award from Putrajaya Holdings Sdn. Bhd. for the contract for the Proposed Construction and Completion of Road Works, Bridge, Drainage, Utilities and Landscaping Works at Precinct 7 and 8 (Phase 2) - Package B; Infrastructure, Landscape and Road Works of Package R11D-1 and R11D-2 at Precinct 5, Road P4/U1A-16 at Precinct 4, Road P18/U1L-3 at Precinct 18 and at Lot 4006 Precinct 11; and Bus Stop Phase 3 (20 Nos) for Pusat Pentadbiran Kerajaan Persekutuan, Putrajaya.

23 September

Cypark Resources Berhad inks collaboration with electronics giant, LG. The Mou will come into effect on the date of signing and will remain in effect for a period of two (2) years and may be extended for a further period as may be agreed in writing by both parties. At the same ceremony, Cypark signed a loan agreement with HSBC for the country's first 8 MW Solar Farm Project in Pajam.

21 December

Cypark through two (2) of its wholly-owned subsidiaries, namely, Cypark Suria (Pajam) Sdn. Bhd. and Cypark Suria (Negeri Sembilan) Sdn. Bhd. (formerly known as Cypark Suria Sdn. Bhd.) has been successfully granted FiT Approval to supply 8 MW and 2 MW renewable energy from solar PV and landfill biogas source respectively by Sustainable Energy Development Authority pursuant to Section 7 of the Renewable Energy Act 2011. With the FiT Approval, the Company would be able to sign the Renewable Energy Power Purchase Agreement with Tenaga Nasional Berhad for a FiT concession period of 21 years and 16 years for electricity generated from solar PV and landfill biogas respectively.

27 December

Cypark received a Letter of Acceptance dated 23 December 2011 from Jabatan Pengurusan Sisa Pepejal Negara, Kementerian Perumahan dan Kerajaan Tempatan in respect of a contract for the Proposed Upgrading of the Landfill Site at Kok Foh, Jempol, Negeri Sembilan. The contract, among others, involves works for the closure of one part of the landfill and the upgrading of the other part of the landfill into a sanitary cell.

Cypark to invest RM94.3m in Nilai RE plant

by **Yong Yen Nie**
FD@bizedge.com

KUALA LUMPUR: Cypark Resources Bhd plans to invest RM94.3 million to build a 10-megawatt (Mw) renewable energy plant, with grid connection, in a renewable energy (RE) park in Pajam, Nilai.

In a statement yesterday, the company, which provides environmental solutions, said the project is expected to generate "gross national income of RM12.2 million annually for the next 21 years, or a total of RM255.4 million".

"We are also in talks with the government to further expand this initiative to upgrade, close and convert 32 additional non-sanitary landfills across the country into RE park, and in the process bring RM1 billion of private investments," it said.

Cypark, which launched the RE park in Pajam yesterday, said it expects revenue and profit from its RE business to grow significantly once the park is fully operational with 10Mw clean power connected to Tenaga Nasional Bhd's grid, based on the new feed-in-tariff system.

"With the proposal to replicate the RE park model in other 48 landfills across the country, Cypark foresees major grow[th] profit in years ...

The landfill ... of the entry poi[nt] ... nomic Transfo[rmation] (ETP).

In the near t[erm] ... replicate the P[ajam] ... tive in 16 landf[ills] ... closing all over ... four are in Neg[ri] ...

Cypark add[ed] ... would involve ... three potential ... at the landfills ... gas (biogas), an[d] ... a large scale R[E] ...

Meanwhile, ... a memorandu[m] ... (MoU) with th[e] ... proposed colla[boration] ... research and de[velopment] ... filling solution[s] ...

Cypark said ... two years and n[ext] ... agreement by l[ast] ...

Cypark outperforms the pack

Its share price nearly tripled after listing last year

By JAGDEV SINGH SIDHU

Daud Ahmad ... Investors do understand the potential and risks.

Cypark in talks to secure 'landfills into renewable energy parks' job

By Goh Thean Ee

Tambah pelaburan RM400 juta

From landfill to RE park – Najib happy over transformation

NILAI: What used to be large tracts of "critical dumpsites" four years ago have now become the country's first integrated renewable energy (RE) park, built by public listed Cypark Resources Bhd at Pajam, near here.

"A smelly and smoky mound of rubbish is now a pleasant green hill with great views of the surroundings," said Prime Minister Datuk Seri Najib Razak when launching the RM94.29mil Pajam integrated RE park yesterday.

Built on a landfill that is able to generate 10Mw of clean energy to power 3,500 homes, it involves the integration of solar, landfill gas (biogas) and waste (biocell). Najib said he was happy to see such a project being implemented as it would set a benchmark in the country's path to become a high income economy.

He said the generation of electricity from solar and biogas from a landfill site was the way forward as it would help reduce the country's dependence on existing energy sources.

This, he said, would help the country achieve its goal to reduce its carbon footprint by 40% by 2020.

Najib said the Government did the right thing by awarding the task to close 16 "critical dumpsites" to Cypark four years ago.

"But Cypark did not stop there. Today, they continue with their tireless pursuit of innovation through research and development, unlocking the economic potentials," he said.

The prime minister said the Pajam RE park, one of the nine entry points projects (EPP) he announced on March 8, would help him "win over a few more sceptics" who had questioned the Government's and the private sector's commitment to the country's Economic Transformation Programme.

He had said the nine EPP projects and the 14 he announced in January are expected to bring in RM14.74bil in investment, RM20bil in Gross National Income and 88,354 incremental jobs.

"I am pleased to be here in Pajam today, just one week after that announcement, to witness the launch of a fully operational integrated RE park that is already producing electricity and is connected to the Tenaga Nasional grid," he said.

CYPARK樂金聯手攻東盟

Cypark signs MoU with LG

by THANUSYA SHANMUGANATHAN

Cypark-LG collaboration to explore opportunities in solar technology

KUCHING: Environmental technology and renewable energy specialist, Cypark Resources Bhd (Cypark) signed a memorandum of understanding (MOU) with LG Electronics Sdn Bhd (LG Electronics) to begin a strategic partnership in solar technology.

According a press release by Cypark, this collaboration signified Cypark's intent to make credible progress in the renewable energy business and strategically work with an internationally renowned technology partner. Under the MOU, Cypark and LG Electronics would cooperate on several solar technology initiatives that included undertaking collaborative solar projects within Malaysia and across South East Asia region, co-developing Malaysia as a centre for solar business hub within the region.

CS Chung, the vice president of LG Electronics said, "the LG Group has recognised that the green energy is going to be a major growth engine for the future. In this regards, LG Group recently announced US$20 billion of investment in rechargeable batteries for electric vehicles, smart grids and solar including poly silicon by the year 2020."

The ceremony was officiated by the Menteri Besar of Negeri Sembilan, Datuk Seri Utama Haji Mohamad Hasan, who also launched the 'Renewable Energy Development Policy Master Plan' which would transform Negeri Sembilan to be the leading state in Malaysia on renewable energy development.

Cypark is an environmental technology and engineering specialist focusing in the area of integrated renewable energy, waste management, and environmental remediation. The company had developed expertise and technical know-how to generate renewable energy.

OFFICIAL CEREMONY: ...

Cypark secures project worth RM30 million

KUCHING: Environmental technology and engineering specialist Cypark Resources Bhd (Cypark), recently announced the Letter of Award (LOA) from Putrajaya Holdings Sdn Bhd (Putrajaya Holdings) worth RM30 million.

The LOA was for the proposed construction and completion of road works, bridge, drainage and landscaping works in Putrajaya for Pusat Pentadbiran Kerajaan Persekutuan, Putrajaya. Cypark said that the project was expected to be completed in September 2013.

Tan Sri Razali Ismail, the non-independent non-executive chairman and founder of Cypark, said, "Environmental landscaping project continues to be one of our important business segment. With this contract, we are proud to be able to ... living environment for the residents of Putrajaya.

"Through the government's ... social and economic infrastructure and ...

Cypark, LG in solar farm deal

S. Korean firm tech partner, EPC contractor for RM94m project in Negri Sembilan

Cypark dapat projek RM30 juta Cypark Resources

CYPARK Resources Bhd (Cypark), pakar kejuruteraan dan teknologi alam sekitar, baru-baru ini mengumumkan yang syarikat berjaya memperoleh projek baru daripada Putrajaya Holdings Sdn Bhd

Cypark bags RM30m landscaping job in Putrajaya

by MOHD RASHDAN JAMALUDIN

ENVIRONMENTAL technology and engineering specialist Cypark Resources Bhd has secured a RM30 million contract from Putrajaya Holdings Sdn Bhd for the construction of road, bridge, drainage and landscaping works for the federal government administrative centre in Putrajaya.

In a filing to Bursa Malaysia last Thursday, Cypark said the project, to be completed in September 2013, is expected to contribute positively to the company's earnings for its financial years ending Oct 31, 2012, and 2013.

The company's non-independent non-executive chairman and founder Tan Sri Razali Ismail said environmental landscaping project continues to be one of Cypark's important business segment.

On the progress of Cypark's 8MW solar plant works at its Integrated Pajam Renewable Energy Park (REPark), Razali said the project implementation is well under way and is targeted to be commissioned by December.

Cypark has also received the approval to lease the Pajam closed landfill site and develop the REPark for a period of 21 years.

The approval was given together with two other sites in Negri Sembilan and Cypark is now poised to deliver its 50MW within three years of the renewable energy project delivery plan with potential concession revenue of above RM[...] million annually.

"On the international fro[nt], Cypark has been pre-qualifie[d] as one of the five internation[al] companies invited to tender f[or] a very large scientific landfi[ll] closure, reclamation, resour[ce] extraction and 15-year pos[t] closure maintenance project i[n] Maharashtra, India.

"Cypark plans to tender f[or] the project in collaboration wi[th] a reputable partner compan[y] which is listed on the Mumb[ai] Stock Exchange," he said.

Dear Shareholders,

Energy is the life blood of our society. The well-being of our people, industry and economy depends on safe, secure, sustainable and affordable energy. Close to 80% of the world's energy supply could be met by renewables by mid-century if backed by the right enabling public policies according to the UN Intergovernmental Panel on Climate Change Special Report on Renewable Energy Sources and Climate Change Mitigation published in May 2011. Global energy consumption is set to grow and for the world to meet its greenhouse gas emissions reduction targets by 2020, the current rate of investment in renewable energy and energy efficiency needs to increase by over 300%. At Cypark, we are well positioned to capitalise on the structural growth opportunities presented by the emerging global renewable energy industries

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

The past year, generally a bearish global economy, with unprecedented turmoil in global capital and financial markets, exacerbated by political upheavals in the Middle East and natural disasters across the world, have highlighted the security, economic, and human costs of relying so heavily on fossil and nuclear energy. Current trend of world energy development poses new and increasingly non-standard problems whose solution requires the introduction of new technologies and organizational measures on the basis of joint efforts of governments of various countries, representatives of business, science and industry. Yet, the continuing growth in this core segment of the green economy is not happening by chance.

The macro factors, which continue to underpin Cypark's belief in the long term prospects for renewable energy, remain as potent as ever; climate change, resource depletion and security of energy supply. Another positive constant amid this turbulence has been the global performance of renewable energy. United Nations Environment Programme's Global Trends in Renewable Energy Investment 2011 reported that global investment in renewable energy grew by 32% in 2010 to a record $211bn while experts at International Energy Agency indicated that in 2050 solar power could generate about 9000 terawatt-hours, or 20-25 per cent of world electricity required.

The combination of government target-setting, policy support and stimulus funds is underpinning the renewable industry's rise and bringing the much needed transformation of our global energy system within reach. In Malaysia, as with 119 other countries, the same wheels have also been turning where consensus is emerging that electricity generated from renewable sources, more than any other form of energy, provides a sustainable solution to overcome the difficulties that arise in today's global energy industry. The Government's transformation initiatives towards renewable energy are broadly encouraging. Malaysia plans to achieve 11% share of renewable energy in the energy mix by 2020. Currently, renewable energy contributes less than 1% to the nation's energy mix.

These factors continue to create increasing levels of demand for energy from renewable sources and therefore provide opportunities for businesses with the strategy, sectoral platforms and execution capabilities to identify and exploit clean energy developments. Cypark has such a strategy, which, combined with our platform positions in solar, biomass and biogas, and our proven track record in business development and project execution, makes us uniquely positioned to be at the forefront of renewable energy.

REVIEW OF PERFORMANCE AND FINANCIAL RESULTS

We have achieved notable results operationally which contributed to an impressive performance in many aspects of our operations. I am delighted to report that for the financial year ended 31st October 2011, the Group recorded total revenue of RM 161.5 million and net profit of RM 20.1 million .

The Group's balance sheet continues to remain strong with Shareholders' Fund at RM 105.3 million. On the share capital of 145 million shares, this translates into a net asset value per share of RM0.73 as at 31st October 2011. The Group's gearing ratio has been reduced from 28.9% in FY 2010 to 27% in FY 2011. The Group's cash and cash equivalent increased from RM 61.2 million a year earlier to RM 76.9 million.

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 except for the effect for the provision made for a litigation claim amounting to RM1,894,720 as disclosed in Note 7 and 19 to the financial statements.

DIVIDEND

In respect of the financial year ended 31 October 2010 as reported in the directors' report of that year, first and final tax-exempt (single tier) dividend of 2.625 sen per share on 145,000,000 ordinary shares, declared on 27 April 2011 and paid on 15 June 2011 was RM 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 2011 of 3.75 sen per share on 145,000,000 ordinary shares, amounting to a dividend payable of RM 5,437,500 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 2012.

HIGHLY COMPETENT AND PRODUCTIVE WORKFORCE

It goes without saying that while we ensure environment and energy sustainability, Cypark achievements itself are sustained through our people. Our milestones throughout this year, was achieved through enhancing the technical competency of our staff, focusing on closing the gaps as identified by immediate managers and/or supervisors. By identifying Cypark's short-term and long-term manpower requirements based on the Company's strategic plans and operational needs, Cypark effectively plans and recruits the right people at the right time, thus ensuring that the Company's operations run smoothly while maintaining a high level of productivity.

SERVING THE COMMUNITY

Corporate responsibility is integral to Cypark. Our business – which promotes environmental and energy sustainability – serves to fulfil the Government's aspiration to advance the nation socially and economically. We are very pleased to be able to support the Government in this exciting and ambitious endeavour to attain high income status by 2020.

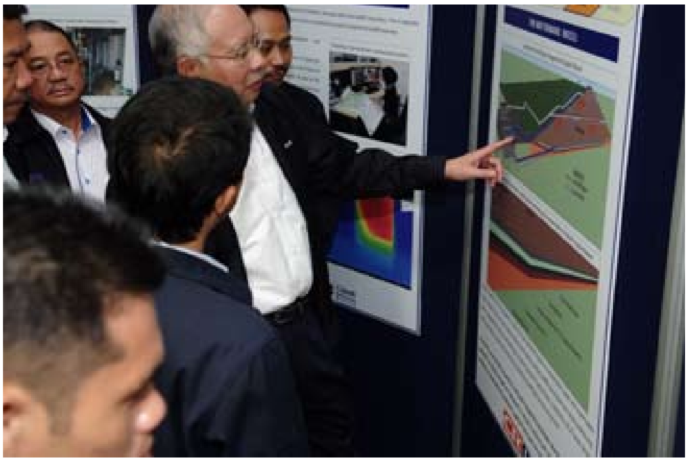
The Group has participated in several charitable events and made financial donations amounting to RM539,500.

BUSINESS SUSTAINABILITY

The current environment of depleting resources, increasing demand, escalating and volatile fuel prices and environmental concerns has driven home the fact that the status quo cannot continue; and that a new way of thinking is required to ensure the sustainability of the energy sector.
At Cypark, what keeps us empowered is a deep sense of responsibility towards Malaysia; we are driven by our pledge towards ensuring environment, energy and economic sustainability.

Cypark's core strengths are sustainable landfill remediation and renewable energy. By enabling clean renewable energy, we not only provide an economically and environmentally viable alternative to peaking fossil-fuel electricity generation but also clean and healthy environment for the communities. Cypark has set the benchmark for environmentally responsible product life cycle management of remediated landfills through its focus on creating value-driven renewable energy solutions that protect and enhance the environment.

The long-term outlook for sustainable landfill remediation and renewable energy is favourable. These green sectors are experiencing fundamental forces for growth as a result of strengthening political and fiscal policies to address climate change, resource sustainability and energy security. These issues provide a case for our business sustainability and we at Cypark are committed to leading the way as we embark on an exciting sustainable future. With a clear strategy, strong platform positions and proven leadership capability, the Group is poised for substantial further growth and development in the coming years.



FUTURE FOCUS

The unprecedented global economic instability has impacted businesses worldwide. Companies that can adapt and emerge strongly with options for growth offer tremendous potential to create value for shareholders. Cypark is one such company.

We hold a strong portfolio in renewable energy and sustainable waste management – sectors that have significant potential. Our businesses within these sectors have market-leading positions with very competitive offerings and I firmly believe they are well placed for future growth and value creation.

Cypark is committed to supporting the national green agenda and minimising the environmental impact of our business by applying sustainable and efficient operations; delivering green energy through the application of appropriate technologies and investments. In essence,

1. Financially, we aim to build a sustainable business by optimising costs and capitalising on business opportunities.
2. In the marketplace, we will strive to solidify our position as a primary driver of renewable energy in Malaysia.
3. As an organisation, we will further enhance our operational excellence through deployment of the latest proven technology and in-house R&D.
4. Internally, we will continue to reinforce our human capital development and productivity and leverage on the existing knowledge and experience of our employees to fortify our capabilities.

Today, our focus is on renewable energy and sustainable waste management sectors, which continue to have strong growth potential. Our strategy for the future years is founded on the tenets that renewable energy and sustainable waste management will remain the core growth platforms for the Group; that we will drive operating performance from the current investments and return to business development in a very disciplined way; and that we will phase growth with the preservation of a robust financing structure

ACKNOWLEDGEMENTS

The Government, as always, has been a pillar of support to Cypark. On behalf of the Group, I would like to express our gratitude to the nation's leaders for their foresight in introducing policies that serve to safeguard environment and energy sustainability of the country.

I would also like to acknowledge my fellow Board of Directors, for providing the Group with invaluable input as we navigated our way through the trials and tribulations that we faced. My gratitude extends to our Management, who have persevered and kept the morale up even as they burnt the proverbial midnight oil to iron out issues that were presented to them. To all our business partners and vendors, thank you for your diligence, trust and integrity. We have been through an interesting year, and emerged in some ways stronger than before. For this, I truly have to thank our employees – for their dedication, commitment and sheer tenacity. These are the people who will sustain our future, and to them I express my heartfelt appreciation.

I would also like to remind our shareholders that you remain topmost in our mind and we hope to be able to make up for any shortcomings with improved performance in the coming year.

Cypark fully recognises that economic growth, sustainable development and quality of life go hand in hand. We are committed to the continuous improvement of environmental performance and have forged ahead with numerous projects that promise not only to be environmentally-friendly, but will contribute to a sustainable and greener energy landscape for the country.

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

Left to Right :

Hasan bin Haji Hamzah
Independent Non-Executive Director

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

Siow Kwang Khee
Non-Executive Vice Chairman
Non-Independent Non-Executive Director

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

YBhg TAN SRI RAZALI BIN ISMAIL

Executive Chairman
Non-Independent Executive Director

YBhg Tan Sri Razali bin Ismail, a Malaysian, aged 72, was appointed to the Board on 1 October 2006. A substantial shareholder of the Company as well as founder of Cypark Sdn. Bhd, YBhg Tan Sri Razali is also a member of the Nomination and Remuneration Committee.

YBhg Tan Sri Razali graduated with a Bachelor of Arts (Honours) from University of Malaya in 1962 and joined the Ministry of Foreign Affairs in 1962. He served in various capacities in the Ministry and also in international organizations such as the United Nations until his retirement. He also sits on the Board of Yayasan Salam and is a director of several other public listed companies.

YBhg Tan Sri Razali has attended five (5) out of the five (5) Board of Directors' Meetings held during the financial year ended 31 October 2011. 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.

SIOW KWANG KHEE

Non-Executive Vice Chairman
Non-Independent Non-Executive Director

Siow Kwang Khee, a Malaysian, aged 51, was appointed to the Board on 1 October 2006. He was appointed by the Board as a member of the Nomination Committee on 1 January 2012. A substantial shareholder of the Company and is also one of the co-founders of Cypark Sdn. Bhd, he has contributed significantly to the growth and the success of the company.

He obtained a Bachelor of Engineering (Chemical and Materials) from Auckland University in 1983, a Master of Business Administration from Cranfield University in the United Kingdom in 1992 and holds a Master of Studies in Interdisciplinary Design for the Built Environment from University of Cambridge in 2002.

Mr Siow Kwang Khee has attended five (5) out of the five (5) Board of Directors' Meetings held during the financial year ended 31 October 2011. 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.

DAUD BIN AHMAD

Group Chief Executive Officer
Non-Independent Executive Director

Encik Daud bin Ahmad, a Malaysian, aged 46, was appointed to the Board on 1 October 2006 and is one of the co-founder of Cypark Sdn. Bhd.

He graduated with a Bachelor of Science (Accounting) with Honours and Distinction in 1989 from Pennsylvania State University, USA. Encik Daud has over 20 years of experience including in the fields of International Business, 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 bin Ahmad has attended five (5) out of the five (5) Board of Directors' Meetings held during the financial year ended 31 October 2011. 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.

DATO' DR FREEZAILAH BIN CHE YEOM

Independent Non-Executive Director

Dato' Dr. Freezailah bin Che Yeom, a Malaysian, aged 72 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 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.

Dato' Dr. Freezailah has attended four (4) out of the five (5) Board of Directors' Meetings held during the financial year ended 31 October 2011. 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.

HASAN BIN HAJI HAMZAH

Independent Non-Executive Director

Encik Hasan bin Haji Hamzah, a Malaysian, aged 61, was appointed to the Board on 8 June 2010. He was appointed by the Board as a member of the Audit Committee on 1 January 2012 and is also a member of the Nomination Committee and Remuneration Committee.

He obtained Diploma in Architecture from Mara Institute of Technology (now known as Universiti Teknologi MARA) ("UiTM")) and Diploma in Technology in Architecture from the South Australian Institute of Technology, now known as University of South Australia in 1972 and 1978 respectively.

He was a Technical Advisor to the Mayor of Kuala Lumpur from 2006 to 2007 and was previously a Director of the Architect's Department of DBKL from 1996 to 2006. He currently lectures on a part-time basis at the International Islamic University Malaysia.

Encik Hasan bin Haji Hamzah has attended five (5) out of the five (5) Board of Directors' Meeting held during the financial year ended 31 October 2011. 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.

HEADIR BIN MAHFIDZ

Independent Non-Executive Director

Encik Headir bin Mahfidz, a Malaysian, aged 45, 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 as a fellow since 1996.

Encik Headir bin Mahfidz has attended five (5) out of the five (5) Board of Directors' Meetings held during the financial year ended 31 October 2011. 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.

RENEWABLE ENERGY PROJECT (PAJAM, NEGERI SEMBILAN)




MOVING FORWARD AS A GREEN UTILITY COMPANY

Introduction

The Board is committed to ensure that a high standard of corporate governance is practiced 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 principle guide in discharging its duties.

The Board recognizes the importance of good corporate governance and supports the principles and best practices promulgated in the Malaysian Code on Corporate Governance ("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 2011 pursuant to Paragraph 15.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR").

BOARD OF DIRECTORS

Board Composition

The Board currently has six (6) members comprising two (2) Executive Directors and four (4) Non-Executive Directors, three (3) of whom are independent and one (1) of whom is non-independent. 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 three Independent Non-Executive Directors who represent half (1/2) 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 and 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.

There is proper balance in the Board with the presence of the three (3) 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 five (5) times during the financial year ended 31 October 2011 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 2011 was as follow:-

Directors	Attendance
Tan Sri Razali bin Ismail	5 out of 5
Daud bin Ahmad	5 out of 5
Siow Kwang Khee	5 out of 5
Dato' Dr. Freezailah bin Che Yeom	4 out of 5
Hasan bin Haji Hamzah	5 out of 5
Headir bin Mahfidz	5 out of 5

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; and
- 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.

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 Malaysian Code on Corporate Governance, the Board acknowledges and recognizes the importance of having to establish two other committees, i.e. the Nomination Committee and Remuneration Committee.

ii. Nomination Committee

Although not mandatory, the Board has endeavored to apply the best practices of Corporate Governance and has set up the Nomination Committee which comprises three (3) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. The Nomination Committee is responsible for proposing new nominees, if required and relevant, for the Board's approval and appointments 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 and experiences 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
Hasan bin Haji Hamzah	Member, Independent Non-Executive Director
Headir Bin Mahfidz	Member, Independent Non-Executive Director
Siow Kwang Khee	Member, Non-Independent Non-Executive Director

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

iii. Remuneration Committee

The Remuneration Committee comprises the 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
Hasan bin Haji Hamzah	Member, Independent Non-Executive Director
Tan Sri Razali bin Ismail	Member, Non-Independent Executive Director

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

Both the Nomination and Remuneration Committees will put in place relevant measures and controls in the determination of the appointments and remunerations as and when necessary and relevant.

Directors' Remuneration

The remunerations of the Executive Directors are 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 will 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 will abstain from deliberations and voting on decisions in respect of his individual remuneration.

Directors' fees payable to Non-Executive Directors during the financial year ended 31 October 2011 were recommended by the Board and are to be approved by the shareholders at the Seventh Annual General Meeting to be 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 2011 is tabulated as follows:-

	Executive Directors (RM)	Non-Executive Directors (RM)	Total (RM)
Salaries & other emoluments	1,171,000	-	1,171,000
Fees	-	408,000	408,000
Benefit in kind/others	643,241	-	643,241

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	-	-
RM200,001 – RM300,000	-	1
RM300,001 – RM400,000	-	-
RM500,001 – RM600,000	-	-
RM600,001 – RM700,000	2	-

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 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.

In accordance with Article 84 of the Articles of Association, Encik Daud bin Ahmad shall retire by rotation and be subjected to re-election at the Seventh Annual General Meeting. Pursuant to Section 129(2) of the Companies Act, 1965, Tan Sri Razali bin Ismail and Dato' Dr. Freezailah bin Che Yeom, who are over seventy (70) years of age, shall retire and be subjected to re-appointment at the Seventh 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:-

- Financial Institutions Directors' Education ("FIDE") Programme – Module 2 (Group 1)
- FIDE Programme – Module A (Group D)
- FIDE Programme – Module B (Group D)
- Renewable Energy ("RE"): Aligning Risks & Returns – Financing RE Initiatives
- Energy Act Renewable – Joint Briefings Stakeholder for Subsidiary Legislation Provision under Energy Act Renewable
- Mandatory Accreditation Programme
- Directors' Training Programme for Salcon Berhad on Corporate Governance Blueprint 2011, Key Amendments to Listing Requirements 2011 and Corporate Disclosure Guide
- Budget 2012 – Taxation
- Photovoltaics ("PV") – PV Optimisation Seminar
- Energy and Sustainability – Advancing International Knowledge Transfer
- Restoration of Contaminated Sites – Talk to Faculty of Engineering & Built Environment

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

Investor Relations
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.

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 Bursa Malaysia Securities Berhad's website at bursamalaysia.com.my 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 generally complied throughout the financial year ended 31 October 2011 with the Best Practices as set out in the Malaysian Code on Corporate Governance.

This Statement is made in accordance with a resolution of the Board of Directors passed on 14 March 2012.

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
Hasan Bin Haji Hamzah (appointed w.e.f. 1 January 2012)	Member, Independent Non-Executive Director
Tan Sri Razali bin Ismail (resigned w.e.f. 1 January 2012)	Member, Non-Independent 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 is 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 of the Audit Committee shall be the Company Secretary.

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 meetings shall 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 auditor, the Chairman of the Audit Committee shall convene a meeting of the Audit Committee to consider any matter the external auditor believes 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, the Group Chief Executive Officer, the Finance Director, the internal auditors and the external auditors in order to be kept informed of matters affecting the Company. The Finance Director, the internal auditor and a representative of the external auditors 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 is 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.

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, at the expense of the Company, 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 external auditors and internal 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 auditor, the audit fee and any question of resignation or dismissal;

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

(c) To review the quarterly and year-end financial statements of the Board, focusing particularly on:–
- any change in accounting policies and practices;
- significant adjustments arising from the audit;
- the going concern assumption; and
- compliance with accounting standards and other legal requirements.

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

- review the adequacy of the scope, functions 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 any appraisal or assessment of the performance of members of the internal audit function;
- approve any appointment or termination of senior staff members of the internal audit function; and
- take cognizance of resignations of internal auditor and provide the internal auditor an opportunity to submit his reasons for resigning;

(e) 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;

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

(g) 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, if any;

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

(i) 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 2011, there were five (5) 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 5
Encik Headir bin Mahfidz	5 out of 5
Hasan Bin Haji Hamzah (Appointed w.e.f. 1 Jan 2012)	0 out of 0
Tan Sri Razali bin Ismail (Resigned w.e.f. 1 Jan 2012)	5 out of 5

Summary of Duties and Activities of the Committee

During the financial year ended 31 October 2011, 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 2011 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 2011 and discussed any significant issues and concerns arising from the audit;

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, procurements, 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 2011.

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 2011 amounted to RM7,950.00.

A summary of the activities of the internal audit function for the financial year ended 31 October 2011 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. Performed site visits on various locations and projects;

c. Review of the accounting records;

d. Presentation of audit findings and corrective actions to be taken by Management in the quarterly Audit Committee meetings; and

e. Conducted follow-up audits to ensure corrective actions had been taken.

Introduction

The Main Market Listing Requirements of 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 acknowledges 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 2011, 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 and recognizes 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.

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 maintenance of proper accounting records and to provide reliable financial information for use within the business and for publication purposes.

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.

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 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; and

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.

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 2011, 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. 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 of Directors on significant results, findings and the necessary recommendations or changes.

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 14 March 2012.

Share Buyback

During the financial year ended 31 October 2011, 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/Statement to Shareholders dated 30 March 2012 attached to this Annual Report.

Exercise of Options, Warrants or Convertible Securities

During the financial year ended 31 October 2011, 3,650,000 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 2011, 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 2011, 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 2011.

Profit Guarantee

During the financial year ended 31 October 2011, 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 2011 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 30 March 2012 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.

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 29 of the Financial Statements of this Annual Report and also as disclosed and stated in the Circular/Statement to Shareholders dated 30 March 2012 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 one (1) ESOS in existence during the financial year ended 31 October 2011 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, which commenced on 3 November 2011, is as follows:-

Details	During the financial year ended 31 October 2011
Total number of options or shares granted	3,650,000
Total number of options exercised or shares vested	-
Total options or shares outstanding	3,650,000

Granted to Executive Directors and Chief Executive Officer	During the financial year ended 31 October 2011
Aggregate options or shares granted	2,400,000
Aggregate options exercised or shares vested	-
Aggregate options or shares outstanding	2,400,000

Granted to Executive Directors and Senior Management	During the financial year ended 31 October 2011
Aggregate maximum allocation in percentage	50%
Actual percentage granted	14.7%

Non-Executive Directors are not entitled to the ESOS pursuant to the By-Laws of the ESOS.

Corporate Social Responsibility

In respect to its Corporate Social Responsibility, the Company had during the financial year ended 31 October 2011 contributed RM539,500/- towards various charitable organisations as part of its charitable drive to aid the underprivileged and deserving.

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 2011.

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

- to adopt appropriate, adequate and applicable accounting standards and policies and applied them consistently;

- ensured that applicable approved accounting standards have been followed;

- where applicable, judgments and estimates are made on a reasonable and prudent basis; and

- upon due inquiry into the state of affairs of the Company, there are no material matters that may affect the ability of the Company to continue in business on a going concern basis.

The Board has also ensured that the Quarterly and Annual Audited Financial Statements of the Company and the Group are 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

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 2011.

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 14 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	20,251,993	13,872,257
Loss from discontinued operations, net of tax	(164,185)	-
Profit net of tax, attributable to owners of the parent	20,087,808	13,872,257

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 except for the effect for the provision made for a litigation claim amounting to RM1,894,720 as disclosed in Note 7 and 19 to the financial statements.

Dividends

The amounts of dividends paid by the Company since 31 October 2010 were as follows:

	RM
In respect of the financial year ended 31 October 2010 as reported in the directors' report of that year:	
First and final tax exempt (single-tier) dividend of 2.625 sen per share on 145,000,000 ordinary shares, declared on 27 April 2011 and paid on 15 June 2011.	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 2011 of 3.75 sen per share on 145,000,000 ordinary shares, amounting to a dividend payable of RM5,437,500 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 2012.

Directors

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
Siow Kwang Khee
Daud Bin Ahmad
Dato' Dr. Freezailah Bin Che Yeom
Hasan Bin Haji Hamzah
Headir Bin Mahfidz

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 29 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 November 2010	Bought	Sold	31 October 2011
Name of Director				
Direct interest:				
Ordinary shares of the company				
Tan Sri Razali Bin Ismail	46,875,600	-	(550,000)	46,325,600
Siow Kwang Khee	14,470,000	-	-	14,470,000
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

	Number of the option over ordinary shares of RM0.50 each			
	1 November 2010	Granted	Exercised	31 October 2011
Name of Director				
Share options of the Company				
Siow Kwang Khee	-	1,000,000	-	1,000,000
Daud Bin Ahmad	-	1,400,000	-	1,400,000

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.

None of the other director in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

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 ESOS was implemented on 14 October 2010 and is to be in force for a period of 5 years from the date of implementation.

During the financial year, the Company has granted 3,650,000 share options under the ESOS.

Details of all the options to subscribe for ordinary shares of the Company pursuant to the ESOS as at 31 October 2011 are disclosed in Note 28.

The names of option holders granted options to subscribe for the ordinary shares of RM0.50 each during the financial year are as follows:

Name	Exercise price RM	1.11.2010	Number of share options Granted	Exercised	31.10.2011
Tan Swee Loon	1.10	-	800,000	-	800,000
Achmat Nadhrain Ibrahim	1.10	-	100,000	-	100,000
Ong Ee Mee	1.10	-	100,000	-	100,000
Ng Kuan Wah	1.10	-	100,000	-	100,000
Tinalene Shaguna A/P Annamalai	1.10	-	50,000	-	50,000
Sharifah Nor Husniah Binti Syed Hussin	1.10	-	50,000	-	50,000
Saifasrina Binti Bathiar	1.10	-	50,000	-	50,000

All share options were granted on 3 November 2010 and will expire on 13 October 2015.

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

Subsequent event

Details of subsequent event are disclosed in Note 37 to the financial statements.

Signed on behalf of the Board in accordance with a resolution of the directors dated 22 February 2012.

Tan Sri Razali Bin Ismail

Daud Bin Ahmad

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 up to Note 37 on pages 41 to 99 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 2011 and of the financial performance and cash flows for the year then ended.

The information set out in Note 38 on page 99 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 22 February 2012.

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 41 to 99 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 abovenamed Daud Bin Ahmad
at Kuala Lumpur in the Federal Territory
on 22 February 2012   Daud Bin Ahmad

Before me

Pesuruhjaya Sumpah Malaysia
Name :
No :

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 2011 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, up to Note 37 as set out on pages 41 to 99.

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 are 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 approriate 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 2011 and of their financial performance and cash flows of the year then ended.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Acts, 1965 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 the subsidiaries which we have not acted as auditors, which is indicated in Note 14 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 38 on page 99 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 Act 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

Low Khung Leong
No.2697/01/13(J)
Chartered Accountant

Kuala Lumpur, Malaysia
22 February 2012

		Group		Company	
		2011	2010	2011	2010
	Note	RM	RM	RM	RM
Continuing operations					
Revenue	4	161,530,920	177,552,535	150,907,320	184,985,937
Cost of sales	5	(117,750,935)	(127,929,459)	(121,728,675)	(138,256,301)
Gross profit		43,779,985	49,623,076	29,178,645	46,729,636
Other income		2,229,674	1,102,628	914,805	156,088
Administrative expenses		(11,751,957)	(10,662,378)	(6,912,567)	(5,053,342)
Operating profits		34,257,702	40,063,326	23,180,883	41,832,382
Finance costs	6	(6,771,311)	(9,822,931)	(4,035,707)	(5,640,084)
Profit before tax from continuing operations	7	27,486,391	30,240,395	19,145,176	36,192,298
Income tax expense	9	(7,234,398)	(9,377,208)	(5,272,919)	(9,881,496)
Profit from continuing operations, net of tax		20,251,993	20,863,187	13,872,257	26,310,802
Discontinued operation					
Loss from discontinued operations, net of tax	10	(164,185)	(574,545)	-	-
Profit net of tax		20,087,808	20,288,642	13,872,257	26,310,802
Other comprehensive income:					
Foreign currency translation		(6,688)	(131,147)	-	-
Foreign statutory reserve		-	(12,129)	-	-
Other comprehensive income for the year, net of tax		(6,688)	(143,276)	-	-
Total comprehensive income for the year, attributable to owners of the parent		20,081,120	20,145,366	13,872,257	26,310,802

		Group	
		2011	2010
	Note	RM	RM
Earnings per share attributable to owners of the parent (sen per share)			
- Basic	11	13.85	17.33
- Diluted	11	13.52	17.33
Earnings per share from continuing operations attributable to owners of the parent (sen per share)			
- Basic	11(a)	13.97	17.82
- Diluted	11(a)	13.63	17.82
Loss per share from discontinued operation attributable to owners of the parent (sen per share)			
- Basic	11(b)	(0.12)	(0.49)
- Diluted	11(b)	(0.11)	(0.49)

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

		Group		Company	
		2011	2010	2011	2010
	Note	RM	RM	RM	RM
Assets					
Non-current assets					
Plant and equipment	12	5,886,880	1,697,594	25,449	-
Intangible asset	13	297,316	297,316	-	-
Investment in subsidiaries	14	-	-	41,400,968	40,000,000
Deferred tax assets	15	150,117	75,099	136,781	-
Trade receivables	16	1,203,896	1,238,556	-	-
		7,538,209	3,308,565	41,563,198	40,000,000
Current assets					
Trade and other receivables	16	232,372,779	185,657,682	228,127,176	153,318,973
Other current assets	17	542,067	157,704	29,555	155,314
Cash and bank balances	18	76,932,485	61,259,045	41,170,376	27,234,944
		309,847,331	247,074,431	269,327,107	180,709,231
Assets of disposal group classified as held for sale	10	23,765,480	-	-	-
		333,612,811	247,074,431	269,327,107	180,709,231
Total assets		341,151,020	250,382,996	310,890,305	220,709,231
Equity and liabilities					
Current liabilities					
Provision	19	1,894,720	-	-	-
Loans and borrowings	20	114,725,474	95,320,946	75,392,486	45,121,463
Trade and other payables	21	81,245,369	56,730,705	118,951,763	69,183,512
Tax payables		3,888,662	9,519,347	2,199,717	4,560,648
		201,754,225	161,570,998	196,543,966	118,865,623
Liabilities of disposal group classified as held for sale	10	23,070,772	-	-	-
		224,824,997	161,570,998	196,543,966	118,865,623
Net current assets		108,787,814	85,503,433	72,783,141	61,843,608
Non-current liabilities					
Loans and borrowings	20	1,282,068	1,442,959	-	-
Retention sum	21	9,344,672	-	1,476,351	-
Deferred tax liabilities	15	343,422	6,389	-	-
		10,970,162	1,449,348	1,476,351	-
Total liabilities		235,795,159	163,020,346	198,020,317	118,865,623
Net assets		105,355,861	87,362,650	112,869,988	101,843,608
Equity attributable to equity holders of the Company					
Share capital	22	72,500,000	72,500,000	72,500,000	72,500,000
Share premium	22	15,163,246	15,204,519	15,163,246	15,204,519
Foreign currency translation reserve	23	-	(126,171)	-	-
Foreign statutory reserve	24	-	85,001	-	-
Reverse acquisition reserve	25	(36,700,000)	(36,700,000)	-	-
Share option reserve	26	774,714	-	774,714	-
Retained earnings	27	53,665,759	36,399,301	24,432,028	14,139,089
Reserve of disposal group classified as held for sale	10	(47,858)	-	-	-
Total equity		105,355,861	87,362,650	112,869,988	101,843,608
Total equity and liabilities		341,151,020	250,382,996	310,890,305	220,709,231

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

	Note	← Non-distributable						→	Distributable	
	Note	Share capital RM	Share premium RM	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
2011										
Group										
Opening balance at 1 November 2010		72,500,000	15,204,519	-	(126,171)	85,001	(36,700,000)	-	36,399,301	87,362,650
Effects of adopting FRS139		-	-	-	-	-	-	-	984,900	984,900
		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	36	-	-	-	-	-	-	-	(3,806,250)	(3,806,250)
Share issuance expense	22	-	(41,273)	-	-	-	-	-	-	(41,273)
Grant of equity-settled share options to employees	26	-	-	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)
Closing balance at 31 October 2011		72,500,000	15,163,246	774,714	-	-	(36,700,000)	(47,858)	53,665,759	105,355,861
2010										
Group										
Opening balance at 1 November 2009		40,000,002	-	-	4,976	97,130	(36,700,000)	-	33,610,657	37,012,765
Total comprehensive income		-	-	-	(131,147)	(12,129)	-	-	20,288,642	20,145,366
Transactions with owners										
Issue of ordinary shares:										
- Issued for cash	22	15,000,000	18,000,000	-	-	-	-	-	-	33,000,000
- Bonus issue	22	17,499,998	-	-	-	-	-	-	(17,499,998)	-
Transaction costs	22	-	(2,795,481)	-	-	-	-	-	-	(2,795,481)
Total transaction with owners		32,499,998	15,204,519	-	-	-	-	-	(17,499,998)	30,204,519
Closing balance at 31 October 2010		72,500,000	15,204,519	-	(126,171)	85,001	(36,700,000)	-	36,399,301	87,362,650

	Note	← Non-distributable		→	Distributable	
		Share capital RM	Share premium RM	Share option reserve RM	Retained earnings RM	Equity, total RM
Company						
Opening balance at 1 November 2010		72,500,000	15,204,519	-	14,139,089	101,843,608
Effects of adopting FRS139		-	-	-	226,932	226,932
		72,500,000	15,204,519	-	14,366,021	102,070,540
Total comprehensive income		-	-	-	13,872,257	13,872,257
Transactions with owners						
Dividend paid	36	-	-	-	(3,806,250)	(3,806,250)
Share issuance expense	22	-	(41,273)	-	-	(41,273)
Grant of equity-settled share options to employees	26	-	-	774,714	-	774,714
Total transaction with owners		-	(41,273)	774,714	(3,806,250)	(3,072,809)
Closing balance at 31 October 2011		72,500,000	15,163,246	774,714	24,432,028	112,869,988
Opening balance at 1 November 2009		40,000,002	-	-	5,328,285	45,328,287
Total comprehensive income		-	-	-	26,310,802	26,310,802
Transactions with owners						
Issue of ordinary shares:						
- Issued for cash	22	15,000,000	18,000,000	-	-	33,000,000
- Bonus issue	22	17,499,998	-	-	(17,499,998)	-
Transaction costs	22	-	(2,795,481)	-	-	(2,795,481)
Total transaction with owners		32,499,998	15,204,519	-	(17,499,998)	30,204,519
Closing balance at 31 October 2010		72,500,000	15,204,519	-	14,139,089	101,843,608

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

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Operating activities				
Profit before tax from continuing operations	27,486,390	30,240,395	19,145,175	36,192,298
Loss before tax from discontinued operations	(164,185)	(574,545)	-	-
	27,322,205	29,665,850	19,145,175	36,192,298
Adjustments for:				
Depreciation of plant and equipment	548,300	430,990	1,757	-
Impairment loss on trade receivables	156,241	296,251	-	-
Bad debts written off	77,385	-	-	-
Provision for legal claim	1,894,720	-	-	-
Impairment of plant and equipment	-	66,412	-	-
Impairment of subordinated bond	-	2,520,000	-	-
Unrealised foreign exchange loss/(gain)	22,672	(110,192)	-	-
Grant of equity-settled share options to employees	774,714	-	774,714	-
Interest expense	6,771,311	9,822,931	4,035,707	5,640,084
Interest income	(1,896,418)	(951,702)	(914,805)	(156,088)
Dividend income	-	-	-	(17,333,333)
Gain on disposal of plant and equipment	(221,261)	(80,800)	-	-
Operating cash flows before changes in working capital	35,449,869	41,659,740	23,042,548	24,342,961
Changes in working capital:				
Trade and other receivables	(70,678,143)	(17,145,082)	(74,808,203)	(36,649,180)
Other current assets	(384,363)	200,639	125,759	194,404
Trade and other payables	55,844,070	(12,860,871)	51,479,206	(8,719,973)
Cash flows from/(used in) operations	20,231,433	11,854,426	(160,690)	(20,831,788)
Interest paid	(6,449,420)	(9,822,931)	(3,967,735)	(5,640,084)
Taxes paid	(10,854,020)	(9,389,867)	(7,846,274)	(7,724,573)
Net cash flows from/(used in) operating activities	2,927,993	(7,358,372)	(11,974,699)	(34,196,445)
Investing activities				
Proceeds from disposal of plant and equipment	244,200	80,800	-	-
Investment in subsidiaries	-	-	(1,400,968)	-
Purchase of plant and equipment	(4,518,525)	(198,626)	(27,206)	-
Interest received	1,896,418	951,702	914,805	156,088
Net cash flows (used in)/from investing activities	(2,377,907)	833,876	(513,369)	156,088

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Financing activities				
Dividends paid	(3,806,250)	-	(3,806,250)	-
Proceeds from revolving credit	-	39,300,000	-	-
Repayment of revolving credit	(8,400,000)	-	-	-
Repayment of short term loan	-	(40,000,000)	-	-
Proceeds from borrowing	1,387,082	1,852,154	4,877,611	4,050,000
Proceeds from issuance of ordinary shares net of transaction cost	-	30,204,519	-	30,204,519
Share issuance expense	(41,273)	-	(41,273)	-
Repayment of hire purchase payables	(446,985)	(220,662)	-	-
Net cash flows (used in)/from financing activities	(11,307,426)	31,136,011	1,030,088	34,254,519
Net (decrease)/increase in cash and cash equivalents	(10,757,340)	24,611,515	(11,457,980)	214,162
Cash and cash equivalents at beginning of year	17,508,459	(6,967,028)	(13,836,519)	(14,050,681)
Effect of exchange rate changes on cash and cash equivalents	(6,688)	(136,028)	-	-
Cash and cash equivalents at end of year (Note 18)	6,744,431	17,508,459	(25,294,499)	(13,836,519)

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

1. Corporate information

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 22 February 2012.

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 and the Companies Act, 1965 in Malaysia. At the beginning of the current financial year, the Group and the Company had adopted new and revised FRS which are mandatory for financial periods beginning on or after 1 November 2010 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 2010, 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 2010.

- FRS 1 First-time Adoption of Financial Reporting Standards
- FRS 3 Business Combinations (Revised)
- FRS 7 Financial Instruments: Disclosures
- FRS 101 Presentation of Financial Statements (Revised)
- FRS 123 Borrowing Costs
- FRS 139 Financial Instruments: Recognition and Measurement
- Amendments to FRS 1 First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
- Amendments to FRS 2 Share-based Payment - Vesting Conditions and Cancellations

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

2.2 Changes in accounting policies (cont'd)

- Amendments to FRS 2 Share-based Payment
- Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued Operations
- Amendments to FRS 127 Consolidated and Separate Financial Statements
- Amendments to FRS 132 Financial Instruments: Presentation
- Amendments to FRS 132 Classification of Rights Issues
- Amendments to FRS 138 Intangible Assets
- Amendments to FRS 139 Financial Instruments: Recognition and Measurement, FRS 7 Financial Instruments: Disclosures and IC Interpretation 9 Reassessment of Embedded Derivatives
- Amendments to IC Interpretation 9 Reassessment of Embedded Derivatives
- Improvements to FRS issued in 2009
- IC Interpretation 9 Reassessment of Embedded Derivatives
- IC Interpretation 10 Interim Financial Reporting and Impairment
- IC Interpretation 11 FRS 2 - Group and Treasury Share Transactions
- IC Interpretation 12 Service Concession Arrangements
- IC Interpretation 13 Customer Loyalty Programmes
- IC Interpretation 14 FRS119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
- IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation
- IC Interpretation 17 Distributions of Non-cash Assets to Owners

FRS 4 Insurance Contracts and TR i-3 Presentation of Financial Statements of Islamic Financial Institutions will also be effective for annual periods beginning on or after 1 November 2010. These FRS are, however, not applicable to the Group or the Company.

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

FRS 7 Financial Instruments: Disclosures

Prior to 1 November 2010, information about financial instruments was disclosed in accordance with the requirements of FRS 132 Financial Instruments: Disclosure and Presentation. FRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk.

The Group and the Company have applied FRS 7 prospectively in accordance with the transitional provisions. Hence, the new disclosures have not been applied to the comparatives. The new disclosures are included through out the Group's and the Company's financial statements for the year ended 31 October 2011.

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

2.2 Changes in accounting policies (cont'd)

FRS 101 Presentation of Financial Statements (Revised)
The revised FRS 101 introduces changes in the presentation and disclosures of financial statements. The revised Standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. The Standard also introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group and the Company have elected to present this statement as one single statement.

In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the classification of items in the financial statements.

The revised FRS 101 also requires the Group to make new disclosures to enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing capital.

The revised FRS 101 was adopted restrospectively by the Group and the Company.

FRS 139 Financial Instruments: Recognition and Measurement
FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. The Group and the Company have adopted FRS 139 prospectively on 1 November 2010 in accordance with the transitional provisions. The effect arising from the adoption of this Standard has been accounted for by adjusting the opening balance of retained earnings as at 1 November 2010. Comparatives are not restated. The details of the changes in accounting policies and the effects arising from the adoption of FRS 139 are discussed below:

Financial guarantee contracts
During the current and prior years, the Company provided financial guarantees to banks in connection with bank loans and other banking facilities granted to its subsidiaries and the purchase of plant and equipment by a subsidiary. Prior to 1 November 2010, the Company did not provide for such guarantees unless it was more likely than not that the guarantees would be called upon. The guarantees were disclosed as contingent liabilities. Upon the adoption of FRS 139, all unexpired financial guarantees issued by the Company are recognised as financial liabilities and are measured at their initial fair value less accumulated amortisation as at 1 November 2010. At the reporting date, no value was placed on these corporate guarantees because there were 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. Summary of significant accounting policies (cont'd)

2.2 Changes in accounting policies (cont'd)

Inter company loans

During the current and prior years, the Company granted interest-free loans and advances to its subsidiaries. Prior to 1 November 2010, these loans and advances were recorded at cost in the Company's financial statements. Upon the adoption of FRS 139, the interest-free loans or advances are recorded initially at a fair value. As the loans and advances are repayable on demand, the cost of these amounts are reasonable approximation of their fair values.

Trade payables - retention sums

Prior to 1 November 2010, trade payables were recorded at cost in the financial statements. Upon the adoption of FRS 139, the trade payables are recorded initially at their fair values that are lower than costs. Subsequent to initial recognition, the trade payables are measured at amortised cost. As at 1 November 2010, the Group and the Company has remeasured such trade payables at their amortised cost of RM24,979,616 and RM10,711,494 respectively. The adjustments to their previous carrying amounts are recognised as adjustment to the opening balance of retained earnings as at 1 November 2010.

The following are effects arising from the above changes in accounting policies:

	Increase/(decrease)	
	As at 31 October 2011 RM	As at 1 November 2010 RM
Statement of financial position		
Group		
Trade payables	(1,775,892)	(1,313,200)
Deferred tax liabilities	443,973	328,300
Retained earnings	1,331,919	984,900
Company		
Trade payables	(350,796)	(302,576)
Deferred tax liabilities	87,699	75,644
Retained earnings	263,097	226,932

	Increase/(decrease)	
	Group 2011 RM	Company 2011 RM
Statement of comprehensive income		
Cost of sales	(784,583)	(116,193)
Finance cost - unwinding of discount	321,891	67,972
Profit before tax from continuing operations	462,692	48,221
Proft from continuing operations, net of tax	347,019	36,166
Other comprehensive income for the year, net of tax	347,019	36,166

	Increase/(decrease) 2011
Group	**Sen per share**
Earnings per share:	
Basic	0.02
Diluted	0.02

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

2.3 Standards issued but not yet effective

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

	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
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 1: Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	1 January 2012
Amendments to FRS 7: Transfers of Financial Assets	1 January 2012
Amendments to FRS 112: Deferred Tax: Recovery of Underlying Assets	1 January 2012
FRS 124: Related Party Disclosures	1 January 2012
Amendments to FRS 101: Presentation of Items of Other Comprehensive Income	1 July 2012
FRS 9: Financial Instruments	1 January 2013
FRS 10: Consolidated Financial Statements	1 January 2013
FRS 11: Joint Arrangements	1 January 2013
FRS 12: Disclosure of interests in Other Entities	1 January 2013
FRS 13: Fair Value Measurement	1 January 2013
FRS 119: Employee Benefits	1 January 2013
FRS 127: Separate Financial Statements	1 January 2013
FRS 128: Investment in Associate and Joint Ventures	1 January 2013
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

The Group and the Company plan to adopt the above pronouncements when they become effective in the respective financial period. The directors expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application, except for the changes in disclosures arising from the adoption of Amendments to FRS 7 and FRS 124.

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

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

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 Company will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 October 2013.

The directors are of the opinion that the financial performance and financial position as disclosed in these financial statements for the year ended 31 October 2011 would not be significantly different if prepared under the MFRS Framework.

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 except for unrealised losses which are not impaired if there are indication of impairment.

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.

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.

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

2.4 Basis of consolidation (cont'd)

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

- 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.

(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.

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

2.5 Foreign currency (cont'd)

(b) Foreign currency transactions (cont'd)

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

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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.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Machinery, furniture and site equipment	20%
Office equipment	20%
Motor vehicles	20%
Computer and peripherals	20% - 33.33%

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

The carrying values of property, 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. Summary of significant accounting policies (cont'd)

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.

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 except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

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

2.8 Impairment of non-financial assets (cont'd)

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.

(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 assets that is held primilarly for trading purposes are presented as current whereas financial assets 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.

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

2.10 Financial assets (cont'd)

(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.

(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.

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

2.10 Financial assets (cont'd)

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.

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.

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.

2.12 Cash and cash equivalents

Cash and cash equivalents include cash on hand and at bank, deposit 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. Summary of significant accounting policies (cont'd)

2.13 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.

Provision are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outlfow 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.

2.14 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.

(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.

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

2.14 Financial liabilities (cont'd)

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 aderecognition 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.

2.15 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

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

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

2.16 Borrowing costs

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

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

2.17 Employee benefits

(a) Defined contribution plans

The Group participates in the national pension scheme as defined by the law. The Malaysian companies in the Group make contributions to the Employee 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.

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

2.17 Employee benefits (cont'd)

(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.

2.18 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.

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

2.19 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 deemded 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.

2.20 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 are recognised based on claims submitted to or certified by customers. Maintenance contracts are based on scheduled monthly work performed as stipulated in the contracts.

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

(b) Dividend income

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

2.21 Income Tax

(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.

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

2.20 Income Tax (cont'd)

(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

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

2.22 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 35, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.23 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.

2.24 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 the most significant effect on the amounts recognised in the financial statements.

3.2 Key sources of estimation uncertainty

The key assumption 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.

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

3.2 Key sources of estimation uncertainty (cont'd)

Revenue from landscaping and environmental projects

The Group and Company recognises 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.

4. Revenue

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Dividend income	-	-	-	17,333,333
Landscaping	9,660,000	8,974,850	-	-
Maintenance	963,600	925,081	-	-
Environmental	150,907,320	167,652,604	150,907,320	167,652,604
	161,530,920	177,552,535	150,907,320	184,985,937

5. Cost of sales

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Landscaping	8,630,494	8,811,702	-	-
Maintenance	818,348	564,618	-	-
Environmental	108,302,093	118,553,139	121,728,675	138,256,301
	117,750,935	127,929,459	121,728,675	138,256,301

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

6. Finance costs

	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Interest expense on:				
- bank overdrafts	3,959,398	4,688,424	3,765,214	4,246,385
- obligations under finance lease	95,605	68,536	-	-
- term loan	-	2,828,568	-	-
- revolving credits	1,833,021	89,425	-	-
- letter of credits	43,765	57,147	17,629	39,997
- trust receipts	416,435	487,351	100,529	49,138
- bank charges	-	56,464	-	7,549
- bank facility fees	84,363	821,000	84,363	571,000
- bank guarantee commission	16,833	726,016	-	726,015
Unwinding of discount	321,891	-	67,972	-
Total finance costs	6,771,311	9,822,931	4,035,707	5,640,084

7. Profit before tax from continuing operations

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

	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Continuing operations				
Auditors' remuneration				
- statutory audits	122,883	90,023	40,000	40,000
- other services	-	150,593	-	70,263
Depreciation of plant and equipment	548,300	407,458	1,757	-
Impairment of subordinated bonds	-	2,520,000	-	-
Impairment loss on trade receivable (Note 16)	156,241	296,251	-	-
Bad debts written off	77,385	-	-	-
Unrealised foreign exchange loss/(gain)	22,672	(110,192)	-	-
Realised foreign exchange loss	-	195,772	-	-
Gain on disposal of plant and equipment	(221,261)	(80,800)	-	-
Operating lease:				
- minimum lease payments on premises	182,503	233,608	145,439	105,058
- minimum lease payments on site equipment	171,883	107,683	134,743	90,483
- minimum lease payments on motor vehicles	1,377,675	983,752	1,212,400	844,914
- minimum lease payments on office equipment	7,930	16,125	-	8,326
Provision for legal claim	1,894,720	-	-	-
Interest income from:				
- loans and receivables	(1,896,418)	(951,702)	(914,805)	(156,088)
Employee benefits expense:				
- salaries and wages	6,954,382	5,607,101	4,923,430	3,348,962
- defined contribution plan	855,173	560,726	594,614	349,762
- social security contributions	64,767	44,940	52,551	36,524
- share options granted under ESOS	774,714	-	774,714	-
- other benefits	552,396	440,876	497,011	367,314

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

	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Discontinued operation				
Auditors' remuneration				
- statutory audits	10,000	10,977	-	-
Depreciation of plant and equipment	-	23,532	-	-
Impairment of plant and equipment	-	66,412	-	-
Realised foreign exchange (gain)/loss	(9,207)	68,109	-	-
Operating lease:				
- Minimum lease payments on premises	113,636	117,898	-	-
- Minimum lease payments on office equipment	-	8,120	-	-
Interest expense on bank guarantee commission	-	164,994	-	-

8. Directors' remuneration

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

	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Executive:				
Salaries and other allowances	1,171,000	1,369,500	1,171,000	678,000
Defined contribution plan	132,600	156,420	132,600	74,160
Social security contributions	1,240	1,239	1,240	620
Share options granted under ESOS	509,401	-	509,401	-
Total executive directors' remuneration	1,814,241	1,527,159	1,814,241	752,780
Non-executive:				
Fees	408,000	459,000	408,000	459,000
Total directors' remuneration (Note 29(b))	2,222,241	1,986,159	2,222,241	1,211,780

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 2011	Number of directors 2010
Executive directors:		
RM400,001 - RM450,000	-	1
RM600,001 - RM700,000	2	-
RM750,001 - RM800,000	-	2
Non-executive directors:		
Below RM50,000	3	3
RM250,001 - RM300,000	1	-

9. Income tax expense

Major components of income tax expense

The major components of income tax expense for the years ended 31 October 2011 and 2010 are

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Statement of comprehensive income:				
Malaysian income tax - continuing operations:				
- Current income tax	7,858,095	9,377,013	5,490,883	9,829,254
- (Over)/underprovision in prior years	(557,413)	43,834	(5,540)	52,242
	7,300,682	9,420,847	5,485,343	9,881,496
Deferred income tax - continuing operations (Note 15):				
- Origination and reversal of temporary differences	(130,057)	(15,357)	(204,770)	-
- Under/(over)provision in prior years	63,773	(28,282)	(7,654)	-
	(66,284)	(43,639)	(212,424)	-
Income tax attributable to continuing operations	7,234,398	9,377,208	5,272,919	9,881,496
Income tax attributable to discontinued operation (Note 10)	-	-	-	-
Income tax expense recognised in profit or loss	7,234,398	9,377,208	5,272,919	9,881,496

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 2011 and 2010 are as follows:

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Profit before tax from continuing operations	27,486,391	30,240,395	19,145,176	36,192,298
Loss before tax from discontinued operation (Note 10)	(164,185)	(574,545)	-	-
Accounting profit before tax	27,322,206	29,665,850	19,145,176	36,192,298
Taxation at Malaysian statutory tax rate of 25% (2010: 25%)	6,830,552	7,416,463	4,786,294	9,048,075
Non-deductible expenses	641,625	1,945,193	499,819	781,179
Deferred tax assets not recognised	255,861	-	-	-
Under/(over)provision of deferred tax in prior years	63,773	(28,282)	(7,654)	-
(Over)/underprovision of tax expense in prior years	(557,413)	43,834	(5,540)	52,242
Income tax expense recognised in profit or loss	7,234,398	9,377,208	5,272,919	9,881,496

9. Income tax expense (cont'd)

Domestic current income tax is calculated at the statutory tax rate of 25% (2010: 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 jurisdictions.

10. Disposal group classified as held for sale

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 have been presented in the statement 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 are presented separately on the statement of comprehensive income as "Loss from discontinued operation, net of tax". On 13 February 2012, the Company entered into an agreement to dispose off its interest in CLSQ as disclosed in Note 37.

Statements of financial position disclosures

The major classes of assets and liabilities of CLSQ classified as held for sale and the related foreign currency translation and foreign statutory reserve as at 31 October 2011 are as follows:

	Group RM
Assets:	
Trade and other receivables	23,741,408
Cash and bank balances	24,072
Assets of disposal group classified as held for sale	23,765,480
Liabilities:	
Trade and other liabilities	(20,993,425)
Provision for taxation	(2,077,347)
Liabilities of disposal group classified as held for sale	(23,070,772)
Net assets of disposal group classified as held for sale	694,708
Reserve:	
Foreign currency translation reserve	(132,859)
Foreign statutory reserve	85,001
	(47,858)

10. Disposal group classified as held for sale (contd.)

Statement of comprehensive income disclosures
The results of CLSQ for the years ended 31 October are as follows:

	Group	
	2011	**2010**
	RM	**RM**
Other income	-	83,616
Administrative expenses	(164,185)	(493,167)
Finance costs	-	(164,994)
Loss before tax from discontinued operation	(164,185)	(574,545)
Income tax expense (Note 9)	-	-
Loss from discontinued operation, net of tax	(164,185)	(574,545)

Statement of cash flow disclosures
The cash flow attributable to CLSQ are as follows:

	Group	
	2011	**2010**
	RM	**RM**
Operating	(164,185)	256,747
Financing	-	(310,983)
Net cash outflows	(164,185)	(54,236)

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.

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:

	Group	
	2011	**2010**
	RM	**RM**
Profit net of tax attributable to owners of the parent used in the computation of basic and diluted earnings per share	20,087,808	20,288,642
Add back: Loss from discontinued operation, net of tax, attributable to owners of the parent	164,185	574,545
Profit net of tax from continuing operations attributable to owners of the parent used in the computation of basic and diluted earnings per share	20,251,993	20,863,187

11. Earnings per share (contd.)

	Group 2011 Number of shares	Group 2010 Number of shares
Weighted average number of ordinary shares for basic earnings per share computation	145,000,000	117,054,795
Effects of dilution - share options	3,630,000	-
Weighted average number of ordinary shares for diluted earnings per share computation	148,630,000	117,054,795

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. These loss and share data are presented in the Note 10 above.

12. Plant and equipment

	Machinery, furniture and site equipment RM	Office equipment RM	Motor vehicles RM	Computer and peripherals RM	Capital work-in-progress RM	Total RM
Group						
Cost						
At 1 November 2009	1,540,182	33,335	1,674,517	1,271,605	-	4,519,639
Additions	11,438	-	1,658,806	17,382	-	1,687,626
Disposals	-	-	(320,707)	-	-	(320,707)
Exchange differences	(25,709)	-	-	(24,525)	-	(50,234)
At 31 October 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
Accumulated depreciation						
At 1 November 2009	1,449,367	33,334	1,334,673	1,187,647	-	4,005,021
Charge for the year (Note 7)	14,969	-	358,335	57,686	-	430,990
Disposals	-	-	(320,707)	-	-	(320,707)
Impairment	57,603	-	-	8,809	-	66,412
Exchange differences	(21,274)	-	-	(21,712)	-	(42,986)
At 31 October 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
Net carrying amount						
At 31 October 2011	1,826,010	178,424	1,410,714	12,458	2,459,274	5,886,880
At 31 October 2010	25,246	1	1,640,315	32,032	-	1,697,594

12. Plant and equipment (contd.)

	Motor vehicles RM	Computer and peripherals RM	Total RM
Company			
Cost			
At 1 November 2009/31 October 2010	-	-	-
Additions	25,756	1,450	27,206
At 31 October 2011	25,756	1,450	27,206
Accumulated depreciation			
At 1 November 2009/31 October 2010	-	-	-
Charge for the year (Note 7)	1,717	40	1,757
At 31 October 2011	1,717	40	1,757
Net carrying amount			
At 31 October 2011	24,039	1,410	25,449
At 31 October 2010	-	-	-

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

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Cash payments	4,518,525	198,626	27,206	-
Finance lease arrangement	242,000	1,489,000	-	-
	4,760,525	1,687,626	27,206	-

Assets held under finance lease

Net carrying amounts of plant and equipment of the Group held under finance lease at the reporting date was RM1,386,675 (2010: RM1,640,316). Lease assets are pledged as security for the related lease liabilities (Note 30(c)).

Assets under construction

The Group's plant and equipment includes RM2,459,274 (2010: RM nil) which relate to expenditure for a renewable energy plant in the course of construction.

13. Intangible assets

	Group 2011 RM	Group 2010 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% (2010: 12%). Gross margins are based on average values achieved in the preceeding three-years.

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

14. Investment in subsidiaries

	Company 2011 RM	Company 2010 RM
Unquoted shares, at cost	**41,400,968**	**40,000,000**

Details of the subsidiaries are as follows:

Name of subsidiaries	Principal activities	Proportion (%) of ownership interest 2011	Proportion (%) of ownership interest 2010
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

14. Investment in subsidiaries (cont'd)

Name of subsidiaries	Principal activities	Proportion (%) of ownership interest 2011	2010
Cypark Renewable Energy Sdn. Bhd. (formerly known as Artis Botanica Corporation Sdn. Bhd. *	Landscape maintenance services specialist for public parks, public amenities and other landscape developments.	100	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	100
Cypark International Sdn. Bhd.***	Dormant.	100	100
Held through Cypark Renewable Energy Sdn. Bhd. (formerly known as Artis Botanica Corporation Sdn. Bhd.):			
Cypark Suria (Negeri Sembilan) Sdn. Bhd. (formerly known as Cypark Suria Sdn. Bhd.)***	Engaging in the business of renewable energy.	100	-
Held through Cypark Suria (Negeri Sembilan) Sdn. Bhd. (formerly known as Cypark Suria Sdn. Bhd.):			
Cypark Suria (Pajam) Sdn. Bhd.*	Engaging in the business of renewable energy.	100	-
Cypark Suria (Kuala Sawah) Sdn. Bhd.***	Engaging in the business of renewable energy.	100	-
Cypark Suria (Bukit Palong) Sdn. Bhd.***	Engaging in the business of renewable energy.	100	-
Cypark Suria (Sua Betong) Sdn. Bhd.***	Engaging in the business of renewable energy.	100	-

14. Investment in subsidiaries (cont'd)

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

* Audited by Ernst & Young, Malaysia

** Direct shareholding in the subsidiary is 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 is deemed a 100% subsidiary of the Company. This subsidiary is audited by a member firm of Ernst & Young Global. In addition, this subsidiary is classified as held for sale as at the reporting date (Note 10 and 37).

*** Audited by firms other than Ernst & Young

(a) Changes in group composition

The Company had on 3 May 2011 acquired 100% equity interest in Cypark Renewable Energy Sdn. Bhd. (formerly known as Artis Botanica Corporation Sdn. Bhd.) ("CRE") at a total cash consideration of RM1,400,968 from Cypark Sdn. Bhd., a wholly owned subsidiary of the Company due to corporate restructuring that was required as a result of CRE's recent expansion into renewable energy business. Upon the acquisition, CRE become a wholly-owned subsidiary of the Company.

The acquisition of CRE does not have any impact on the earnings and net tangible assets of the Group and of the Company.

(b) Acquisition of subsidiaries

(i) Cypark Suria (Negeri Sembilan) Sdn. Bhd.

CRE had on 15 June 2011 acquired 100% equity interest in Cypark Suria (Negeri Sembilan) Sdn. Bhd. (formerly known as Cypark Suria Sdn. Bhd. ("CRS")) for a total cash consideration of RM2 from the major shareholders, namely Tan Sri Razali Bin Ismail and Encik Daud Bin Ahmad. Upon the acquisition, CRS became a wholly-owned subsidiary of CRE.

(ii) Cypark Suria (Pajam) Sdn. Bhd.

CRS has on 23 May 2011 acquired 100% equity interest in Cypark Suria (Pajam) Sdn. Bhd. ("CRP"). The acquisition is to facilitate the Group's participation in renewable energy business.

(iii) Cypark Suria (Sua Betong) Sdn. Bhd., Cypark Suria (Kuala Sawah) Sdn. Bhd. and Cypark Suria (Bukit Palong) Sdn. Bhd.

CRS had on 19 September 2011 acquired 100% equity interest in Cypark Suria (Sua Betong) Sdn. Bhd. ("CSSB"), Cypark Suria (Kuala Sawah) Sdn. Bhd. ("CSKS") and Cypark Suria (Bukit Palong) Sdn. Bhd. ("CSBP") at a total cash consideration of RM2 each. Upon the acquisition, CSSB, CSKS and CSBP became wholly-owned subsidiaries of CRS. The acquisition is to facilitate the Group's participation in renewable energy business.

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.

15. Deferred tax

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

	As at 1 November 2009 RM	Recognised in profit or loss RM	As at 31 October 2010 RM	Effects of adopting FRS 139 RM	Recognised in profit or loss RM	As at 31 October 2011 RM
Group						
Deferred tax liabilities:						
Plant and equipment	243,246	(18,256)	224,990	-	(192,704)	32,286
Trade payables	-	-	-	328,300	115,673	443,973
	243,246	(18,256)	224,990	328,300	(77,031)	476,259
Deferred tax asset:						
Provisions	(268,317)	(25,383)	(293,700)	-	204,425	(89,275)
Share options	-	-	-	-	(193,679)	(193,679)
	(268,317)	(25,383)	(293,700)	-	10,746	(282,954)
	(25,071)	(43,639)	(68,710)	328,300	(66,285)	193,305
Company						
Deferred tax liabilities:						
Plant and equipment	-	-	-	-	2,498	2,498
Trade payables	-	-	-	75,644	12,055	87,699
	-	-	-	75,644	14,553	90,197
Deferred tax asset:						
Provisions	-	-	-	-	(33,299)	(33,299)
Share options	-	-	-	-	(193,679)	(193,679)
	-	-	-	-	(226,978)	(226,978)
	-	-	-	75,644	(212,425)	(136,781)

	Group 2011 RM	Group 2010 RM
Presented after appropriate offsetting as follows:		
Deferred tax assets	(150,117)	(75,099)
Deferred tax liabilities	343,422	6,389
	193,305	(68,710)

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

	Group 2011 RM	Group 2010 RM
Unutilised business losses	328,956	-
Unabsorbed capital allowances	672,498	-
Other deductible temporary differences	21,990	-
	1,023,444	-

These deferred tax assets, which relate to the renewable energy business which the Group is venturing into, are not recognised as it is too premature for the Group to anticipate their eventual realisation.

16. Trade and other receivables

	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Current				
Trade receivables				
Third party	37,074,659	42,645,106	33,688,658	32,814,483
Retention sum	116,191	19,703,679	-	-
Unbilled amount due from customers on work performed	194,401,089	119,458,132	188,037,236	117,918,258
	231,591,939	181,806,917	221,725,894	150,732,741
Less: Allowance for impairment				
Third party	(296,251)	(296,251)	-	-
Trade receivables, net	231,295,688	181,510,666	221,725,894	150,732,741
Other receivables				
Amounts due from subsidiaries	-	-	5,836,860	-
Sundry receivables	658,616	3,758,585	240,197	2,282,020
Refundable deposits	418,475	388,431	324,225	304,212
	1,077,091	4,147,016	6,401,282	2,586,232
Total current receivables	232,372,779	185,657,682	228,127,176	153,318,973
Non-current				
Trade receivables				
Retention sum receivables	1,360,137	1,238,556	-	-
Less: Allowance for impairment	(156,241)	-	-	-
Total non-current receivables	1,203,896	1,238,556	-	-
Total trade and other receivable (current and non-current)	233,576,675	186,896,238	228,127,176	153,318,973
Add: Cash and bank balances (Note 18)	76,932,485	61,259,045	41,170,376	27,234,944
Less: Unbilled amount due from customers on work performed	(194,401,089)	(119,458,132)	(188,037,236)	(117,918,258)
Total loans and receivables	116,108,071	128,697,151	81,260,316	62,635,659

(a) Trade receivables

The Group's and Company's normal trade credit term ranges from 60 to 90 (2010: 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.

In prior year, included in trade receivables of the Group is an amount of RM23,996,901 due from a customer in relation to the Asian Game Village Project for which an advance of RM20,528,895 was received from DAGOC as detailed in Note 21(c). The entire amount due has been reclassified as assets of disposal group classified as held for sale.

16. Trade and other receivables (cont'd)

(a) Trade receivables (cont'd)

The unbilled amount due from customers on work performed mainly relates to the work performed on the various landfills sites located in West Malaysia. Subsequent billings to and collection from client amounted to RM24,596,694 (2010: RM23,179,838) and RM39,959,300 (2010: RM41,819,833) respectively.

As at reporting date, the Group estimates that it has completed about 90% of the work due. The expected completion date and hand over date of the sites are in June 2012. The Group anticipates that it will be able to adhere to those dates and expect recovery of these amounts thereafter.

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	
	2011 RM	2010 RM
Neither past due nor impaired	33,766,870	1,020,662
31 to 60 days past due not impaired	2,788,250	161,622
61 to 90 days past due not impaired	80,300	2,026,446
More than 91 days past due not impaired	1,463,075	60,082,360
	4,331,625	62,270,428
Impaired	452,492	296,251
	38,550,987	63,587,341

Receivables that are neither past due nor impaired

Trade and other 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 RM4,331,625 (2010: RM62,270,428) 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.

16. Trade and other receivables (cont'd)

(a) Trade receivables (cont'd)

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 2011 RM	Group Individual impaired 2010 RM
Trade receivables - nominal amounts	452,492	296,251
Less: Allowance for impairment	(452,492)	(296,251)
	-	-

Movement in allowance accounts:

	Group 2011 RM	Group 2010 RM
At 1 November	296,251	-
Charge for the year (Note 7)	156,241	296,251
At 31 October	452,492	296,251

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 have no fixed terms of repayment.

17. Other current assets

Other current assets of the Group and the Company relates to prepaid operating expenses of RM542,067 (2010: RM157,704) and RM29,555 (2010: RM155,314) respectively.

18. Cash and cash equivalents

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Deposits with licensed banks	74,432,067	59,139,835	40,662,054	26,112,776
Cash on hand and at banks	2,500,418	2,119,210	508,322	1,122,168
Cash and bank balances (Note 16)	76,932,485	61,259,045	41,170,376	27,234,944

Deposits with licensed banks amounting to RM74,432,067 (2010: RM52,311,242) and RM40,662,054 (2010: RM19,284,183) of the Group and of the Company respectively are pledged to banks for credit facilities granted to the Group and the Company. Included herein are deposits totalling RM32,951,218 (2010: RM14,453,471) 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.

The weighted average effective interest rate of deposits with licensed banks at the reporting date is 2.93% (2010: 2.75%) per annum. The maturity of deposits as at the end of the financial year ranges from 7 to 180 days (2010: 7 to 180 days).

For the purposes of the consolidated statement of cash flow, cash and cash equivalents comprise the following at the reporting date:

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Cash and short term deposits:				
- Continuing operations	76,932,485	61,259,045	41,170,376	27,234,944
- Discontinued operation	24,072	-	-	-
Bank overdrafts (Note 20)	(70,212,126)	(43,750,586)	(66,464,875)	(41,071,463)
Cash and cash equivalents	6,744,431	17,508,459	(25,294,499)	(13,836,519)

19. Provisions

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 to be paid to the plaintiff and the amount has been provided accordingly in the statement of financial position. The Group has subsequently filed an appeal against the judgement and the directors are confident that the subsidiary will succeed in its appeal. Notwithstanding the process of appeal, provision has been made on the ground of the aforesaid judgement.

20. Loans and borrowings

		Group		Company	
		2011	2010	2011	2010
	Maturity	RM	RM	RM	RM
Current					
Secured:					
Obligations under finance leases (Note 30(c))	2012	260,800	304,894	-	-
Bank loans:					
- Bank overdrafts (Note 18)	On demand	70,212,126	43,750,586	66,464,875	41,071,463
- Trust receipts	2012	13,352,548	11,718,466	8,927,611	4,050,000
- Banker acceptance	-	-	247,000	-	-
Revolving credit	2012	30,900,000	39,300,000	-	-
		114,725,474	95,320,946	75,392,486	45,121,463
Non-current					
Secured:					
Obligations under finance leases (Note 30(c))	2013 - 2017	1,282,068	1,442,959	-	-
Total loans and borrowings (Note 21)		116,007,542	96,763,905	75,392,486	45,121,463

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% (2010: 2.2% and 3.4%) per annum.

Bank overdrafts

Bank overdrafts bear interest at BLR + 1.25% to 1.75% (2010: BLR + 1.25% to 1.75%) per annum.

The weighted average effective interest rates during the financial year for the loans and borrowings, excluding obligation under finance leases, were as follows:

	Group		Company	
	2011	2010	2011	2010
	%	%	%	%
Bank overdrafts	7.95	7.43	7.70	7.18
Trust receipts	7.58	7.05	7.70	7.18
Bank acceptance	-	7.05	-	-
Revolving credit	5.28	6.11	-	-

The bank overdrafts, trust receipts, banker acceptance and revolving credit are secured by existing fixed deposits and guaranteed jointly and severally by certain directors of the Group.

21. Trade payables and other payables

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Current				
Trade payables				
Third parties	69,428,007	26,292,816	11,860,944	11,014,070
Amount due to subsidiary	-	-	98,248,951	50,200,114
	69,428,007	26,292,816	110,109,895	61,214,184
Other payables				
Amounts due to subsidiaries	-	-	908,723	146,266
Advance from DAGOC	-	20,528,895	-	-
Advances from directors	1,132,258	839,179	1,132,258	839,179
Advance from customers	3,642,993	6,104,341	3,642,993	6,104,340
Sundry payables	3,490,155	648,509	1,992,732	394,240
Accruals	3,551,956	2,316,965	1,165,162	485,303
	11,817,362	30,437,889	8,841,868	7,969,328
	81,245,369	56,730,705	118,951,763	69,183,512
Non-current				
Trade payables				
Retention sum	9,344,672	-	1,476,351	-
Total trade and other payables	90,590,041	56,730,705	120,428,114	69,183,512
Add: Loans and borrowings (Note 20)	116,007,542	96,763,905	75,392,486	45,121,463
Total financial liabilities carried at amortised cost	206,597,583	153,494,610	195,820,600	114,304,975

(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 (2010: 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 the Company are amount due to a related party of RM21,840,002 and RM8,094,051 respectively.

(b) Amounts due to subsidiaries

Amounts due to subsidiaries are unsecured, non-interest bearing and have no fixed terms of repayment.

(c) Advance from DAGOC

The advance from DAGOC relates to an advance from Doha Asian Games Organising Committee ("DAGOC") as interim funding for the Asian Game Project, which was secured against a post-dated cheque issued for the same amount and was payable only upon full receipt of trade proceeds for the Asian Game Project. The said cheque has since expired. This advance is interest free and has no fixed term of repayment. The advance has been reclassified to liabilities of disposal group classified as held for sale in view of the decision to dispose off the subsidiary.

(d) Advances from directors and a customer

These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

22. Share capital and share premium

	Number of ordinary shares of RM 0.50 each		Amount	
	2011	2010	2011 RM	2010 RM
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 RM 0.50 each	Amount		
	Share capital	Share capital RM	Share premium RM	Total share capital and share premium RM
Issued and fully paid:				
At 1 November 2009	80,000,004	40,000,002	-	40,000,002
Ordinary shares issued during the year:				
Issued for cash	30,000,000	15,000,000	18,000,000	33,000,000
Bonus issue	34,999,996	17,499,998	-	17,499,998
Transaction cost	-	-	(2,795,481)	(2,795,481)
At 31 October 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

The Company's issued and paid up share capital was listed on the Main Market of Bursa Malaysia Securities Berhad on 15 October 2010. Pursuant to the listing of the Company's shares on the Main Market of Bursa Malaysia Securities Berhad, the Company increased its issued and paid-up ordinary share capital from RM40,000,002 to RM72,500,000 by way of:

(i) an issuance of 30,000,000 ordinary shares of RM0.50 each at an issue price of RM1.10 per share through Public Issue for cash, for additional working capital purposes; and

(ii) a bonus issue of 34,999,996 ordinary shares of RM0.50 each to the existing shareholders on the basis of approximately seven (7) ordinary shares of RM0.50 each for every sixteeen (16) ordinary shares of RM0.50 each held prior to the Public Issue via capitalisation from the retained earnings.

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 cost have been included in the share premium account.

23. 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 is classified as held for sale.

24. Foreign statutory reserve

The foreign statutory reserve was created to comply with 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 is classified as held for sale.

25. 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.

26. Employee share option reserve

Employee share option reserve represents the equity-settled share options granted to employees (Note 28). 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.

27. 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 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 2011 and 2010, the Company does not have any Section 108 balance. The Company may distribute dividends out of its entire retained earnings as at 31 October 2011 and 2010 under the single tier system.

28. 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 shall be in force for a period of five years commencing 14 October 2010 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 existance 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.

28. 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:

	Group/Company			
	2011		2010	
	Number	WAEP RM	Number	WAEP RM
Outstanding at 1 November	-	-	-	-
- Granted	3,650,000	1.10	-	-
Outstanding at 31 October	3,650,000	1.10	-	-
Exercisable at 31 October	3,650,000	1.10	-	-

The weighted average remaining contractual life of these options is 4 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.

The following table lists the inputs to the option pricing models for the years ended 31 October 2011 and 2010:

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

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.

29. 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:

	2011 RM	2010 RM
Group		
Assignment of long overdue trade debts to certain director	-	7,210,995
Accounting fees receivable from a related party*	(30,000)	(30,000)
Secondment fees payable to a related party*	-	115,460
Amount payable to a related party for work performed on the landfill project*	22,650,509	21,430,792
Company		
Dividend receivable from a subsidiary	-	(17,333,333)
Operating and management fees payable to a subsidiary	720,000	720,000
Secondment fees payable to a subsidiary	192,000	-
Amount payable to a subsidiary for work performed on the landfill project	80,763,421	101,027,685
Amount payable to a related party for work performed on the landfill project*	8,168,265	21,430,792

* 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	
	2011 RM	2010 RM	2011 RM	2010 RM
Short term employee benefit	2,250,680	2,464,680	1,822,680	1,417,980
Defined contribution plan	215,580	250,779	164,220	107,919
Share options granted under ESOS	700,426	-	700,426	-
Other benefits	1,860	1,859	1,240	620
	3,168,546	2,717,318	2,688,566	1,526,519

Included in the total key management personnel are:

Directors' remuneration (Note 8)	2,222,241	1,986,159	2,222,241	1,211,780

29. Related party transactions (cont'd)

(b) Compensation of key management personnel (cont'd)

Directors' interest in employee share option scheme

During the financial year, 2,400,000 share options were granted to two of the Company's executive directors under the employee share option scheme (Note 28) at an exercise price of RM1.10 each.

At the reporting date, the total number of outstanding share options granted by the Company to the above-mentioned directors under the employee share option scheme amounts to 2,400,000. No share options have been granted to the Company's non-executive directors.

30. Commitments

(a) Capital commitments

Capital expenditure as at the reporting date is as follows:

	Group	
	2011	2010
	RM	RM
Capital expenditure		
Approved and contracted for:		
Plant and equipment	39,969,806	-

(b) Operating lease commitments - as lessee

The Group has entered into commercial lease on certain motor vehicles, premises 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	
	2011	2010	2011	2010
	RM	RM	RM	RM
Not later than 1 year	563,169	393,944	272,425	200,520
Later than 1 year but not later than 5 years	191,370	41,490	11,500	41,490
Later than 5 years	138,500	-	9,000	-
	893,039	435,434	292,925	242,010

30. Commitments (cont'd)

(c) Finance lease commitments

	Group 2011 RM	Group 2010 RM
Minimum lease payments:		
Not later than 1 year	340,812	395,871
Later than 1 year but not later than 2 years	340,812	358,600
Later than 2 years but not later than 5 years	955,131	929,511
Later than 5 years	146,797	365,101
Total minimum lease payments	1,783,552	2,049,083
Less: Amounts representing finance charges	(240,684)	(301,230)
Present value of minimum lease payments	1,542,868	1,747,853
Present value of payments:		
Not later than 1 year	260,800	304,894
Later than 1 year but not later than 2 years	276,680	317,539
Later than 2 years but not later than 5 years	862,140	812,425
Later than 5 years	143,248	312,995
Present value of minimum lease payments	1,542,868	1,747,853
Less: Amount due within 12 months (Note 20)	(260,800)	(304,894)
Amount due after 12 months (Note 20)	1,282,068	1,442,959

31. Contingent liabilities

	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Unsecured:				
- Litigation claims	1,192,894	3,087,614	-	-

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

32. Fair value of financial instruments

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

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade and other receivables (current)	16
Loan and borrowings (current)	20
Trade and other payables (current)	21

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either 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 current 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.

Amounts 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.

33. 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 policies and procedures for the management of 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.

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

(a) Credit risk (cont'd)

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by:

- The carrying amount of each class of financial assets recognised in The statements of financial position, including derivatives with positive fair values.

- Nominal amounts of RM111,830,000 (2010: RM500,000) and RM8,681,040 (2010: RM Nil) 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 a single customer (2010: one) representing approximately 86% (2010: 82%) 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 located throughout Peninsular Malaysia.

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 16. 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 16.

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

(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.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

			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.

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

(c) Interest rate risk

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

(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.

The Group is also exposed to currency translation risk arising from its net investment in foreign operation, which is Qatar. The functional currency of the foreign operation is Qatar Riyal.

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

Functional currency of Group companies	Net financial assets held in non-functional currencies Qatari Riyals
At 31 October 2011	
Ringgit Malaysia	236,825
At 31 October 2010	
Ringgit Malaysia	126,715

34. 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 2011 and 31 October 2010.

As disclosed in Note 24, a subsidiary of the Group is required by the Qatar Commercial Companies Law to maintain a non-distributable statutory reserve fund. This external imposed capital requirement has been complied with by the above-mentioned subsidiary for the financial years ended 31 October 2011 and 31 October 2010.

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	
	2011 RM	2010 RM	2011 RM	2010 RM
Loans and borrowings	116,007,542	96,763,905	75,392,486	45,121,463
Less: Cash and bank balances	(76,932,485)	(61,259,045)	(41,170,376)	(27,234,944)
	39,075,057	35,504,860	34,222,110	17,886,519
Equity attributable to the owners of the parents, representing total capital	105,355,861	87,362,650	112,869,988	101,843,608
Capital and net debt	144,430,918	122,867,510	147,092,098	119,730,127
Gearing ratio	27.1%	28.9%	23.3%	14.9%

35. 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.

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.

2011	Malaysia RM	Middle East (discontinued) RM	Elimination RM	Total RM
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				(7,234,397)
Segment profit				20,251,994
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

35. Segment information (cont'd)

2010	Malaysia RM	Middle East (discontinued) RM	Elimination RM	Total RM
Revenue				
Sales to external customers	177,552,535	-	-	177,552,535
Inter-segment sales	101,027,685	-	(101,027,685)	-
Total revenue	278,580,220	-	(101,027,685)	177,552,535
Results				
Segment results	57,396,659	(409,551)	(16,923,782)	40,063,326
Finance cost	(9,822,931)	(164,995)	164,995	(9,822,931)
Profit before tax	47,573,728	(574,546)	(16,758,787)	30,240,395
Income tax expense				(9,377,208)
Segment profit				20,863,187
Assets				
Segment assets	317,851,367	24,080,998	(91,549,369)	250,382,996
Liabilities				
Segment liabilities	190,851,495	23,452,244	(51,283,393)	163,020,346
Other segment information				
Capital expenditure	1,687,626	-	-	1,687,626
Depreciation	402,762	28,228	-	430,990
Impairment of plant and equipment	-	66,412	-	66,412
Impairment of subordinated bonds	2,520,000	-	-	2,520,000
Impairment loss on trade receivable	296,251	-	-	296,251

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

	Group 2011 RM	Group 2010 RM
Segment results of discontinued operations	164,185	574,546
Inter-segment profit	(1,150,968)	(17,333,333)
	(986,783)	(16,758,787)

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

	Group 2011 RM	Group 2010 RM
Deferred tax assets	150,117	75,099
Inter-segment assets	(156,070,920)	(91,624,468)
	(155,920,803)	(91,549,369)

35. Segment information (cont'd)

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

	Group 2011 RM	Group 2010 RM
Deferred tax liabilities	343,422	6,389
Inter-segment liabilities	(113,098,440)	(51,289,782)
	(112,755,018)	(51,283,393)

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 — provision of nature conservation and environmental amelioration for customers.

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.

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
2011			
Landscaping	70,348,785	267,965	9,660,000
Maintenance	464,031	520	963,600
Environmental	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
2010			
Landscaping	68,393,425	1,687,626	8,974,850
Maintenance	1,153,022	-	925,081
Environmental	180,836,549	-	167,652,604
	250,382,996	1,687,626	177,552,535

Information about a major customer

Revenue from one major customer amount to RM150,532,606 (2010: RM167,652,604), arising from sales by the environmental segment in Malaysia.

36. Dividends

	Group/Company 2011 RM	Group/Company 2010 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	-

At the forthcoming Annual General Meeting, a final tax exempt (single-tier) dividend in respect of the financial year ended 31 October 2011 of 3.75 sen per share on 145,000,000 ordinary shares, amounting to a dividend payable of RM5,437,500 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 2012.

37. Events occuring after the reporting date

On 13 February 2012, the Company entered into a Sale and Purchase of Shares Agreement for the disposal of one of its wholly-owned subsidiaries, Cypark Landscape Services Qatar WLL for a cash consideration of RM460,000, which has been classified as discontinued operation (Note 10) as at 31 October 2011.

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

The breakdown of the retained profits of the Group and of the Company as at 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 2011 RM	Company 2011 RM
Total retained profits of the Company and its subsidiaries		
- Realised	54,905,388	24,295,247
- Unrealised	(215,977)	136,781
	54,689,411	24,432,028
Less: Consolidation adjustments	(1,023,652)	-
Retained profits as per financial statements	53,665,759	24,432,028

Statistics Of Shareholdings As At 29 February 2012

Authorised Share Capital	: RM100,000,000.00
Issued and Paid-Up Share Capital	: RM72,500,000.00
Class of Shares	: Ordinary Shares of RM0.50 each
Voting Rights	: One (1) vote per ordinary share

Size of Shareholdings	No. of Shareholders	%	No. of Shares Held	%
1 – 99	5	0.30	62	0.00
100 – 1,000	248	14.92	205,638	0.14
1,001 – 10,000	944	56.80	4,644,600	3.20
10,001 – 100,000	365	21.96	11,827,500	8.16
100,001 – 7,249,999(*)	96	5.78	62,077,200	42.81
7,250,000 and above (**)	4	0.24	66,245,000	45.69
TOTAL	**1,662**	**100.00**	**145,000,000**	**100.00**

Remarks : * 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 29 February 2012 are as follows:-

	No. of Shares Direct	%	No. of Shares Indirect	%
Tan Sri Razali Bin Ismail	46,325,600	31.95	-	-
Daud Bin Ahmad	12,719,400	8.77	-	-
Siow Kwang Khee	8,500,000	5.86	-	-

Directors' Shareholdings

The Directors' Shareholdings based on the Register of Directors' Shareholdings of Cypark Resources Berhad as at 29 February 2012 are as follows:-

	Direct Interest No. of Shares Held	%	Indirect Interest No. of Shares Held	%
Tan Sri Razali Bin Ismail	46,325,600	31.95	-	-
Daud Bin Ahmad	12,719,400	8.77	-	-
Siow Kwang Khee	8,500,000	5.86	-	-
Dato' Dr. Freezailah Bin Che Yeom	100,000	0.07	-	-
Headir Bin Mahfidz	25,000	0.02	-	-
Hasan Bin Haji Hamzah	-	-	-	-

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)	32,854,680	22.66
2.	Razali Bin Ismail	13,470,920	9.29
3.	Daud Bin Ahmad	11,419,400	7.88
4.	Siow Kwang Khee	8,500,000	5.86
5.	Amanahraya Trustees Berhad – Public Smallcap Fund	6,893,200	4.75
6.	AIBB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chua Ma Yu	4,000,000	2.76
7.	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (LPF)	2,414,600	1.67
8.	HSBC Nominees (Tempatan) Sdn. Bhd. HSBC (M) Trustee Bhd for OSK-UOB Small Cap Opportunity Unit Trust (3548)	2,183,200	1.51
9.	Mayban Nominees (Tempatan) Sdn. Bhd. Malaysian Trustees Berhad for AMB Smallcap Trust Fund (240165)	2,121,600	1.46
10.	HSBC Nominees (Tempatan) Sdn. Bhd. HSBC (M) Trustee Bhd for OSK-UOB Growth and Income Focus Trust (4892)	2,103,100	1.45
11.	Universal Trustee (Malaysia) Berhad CIMB Islamic Small Cap Fund	2,036,200	1.40
12.	HSBC Nominees (Tempatan) Sdn. Bhd. HSBC (M) Trustee Bhd for MAAKL Al-Fauzan (5170)	1,804,000	1.24
13.	Mayban Nominees (Tempatan) Sdn. Bhd. Mayban Trustees Berhad for Public Balanced Fund (N14011950210)	1,725,000	1.19
14.	Chow Kok Leong	1,528,200	1.05
15.	HDM Nominees (Asing) Sdn. Bhd. – DBS Vickers SECS (S) Pte Ltd for Optimus Capital International Limited	1,500,000	1.03
16.	Mayban Nominees (Tempatan) Sdn. Bhd. Mayban Trustees Berhad for CIMB Principal Small Cap Fund (240218)	1,426,200	0.98
17.	Amanahraya Trustees Berhad Public Equity Fund	1,325,100	0.91
18.	Tan Swee Loon	1,325,000	0.91

The 30 Largest Securities Account Holders (cont'd)

No.	Shareholders	No. of Share	%
19.	Mayban Nominees (Tempatan) Sdn. Bhd. Mayban Trustees Berhad for MAAKL Value Fund (950290)	1,319,300	0.91
20.	Mayban Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Daud Bin Ahmad	1,300,000	0.90
21.	HLG Nominee (Tempatan) Sdn. Bhd. Hong Leong Asset Management Bhd for Credit Guarantee Corporation Malaysia Berhad (1101)	1,190,000	0.82
22.	Kumpulan Wang Simpanan Guru-Guru	1,152,000	0.79
23.	Cartaban Nominees (Asing) Sdn. Bhd. SSBT Fund VAAS for Vanderbilt University	1,137,500	0.78
24.	Kumpulan Wang Simpanan Guru-Guru	1,000,000	0.69
25.	ECML Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Gan Eng Liong	960,100	0.66
26.	HSBC Nominees (Tempatan) Sdn. Bhd. HSBC (M) Trustee Bhd for OSK-UOB Smart Treasure Fund (4694-002)	900,000	0.62
27.	HSBC Nominees (Tempatan) Sdn. Bhd. HSBC (M) Trustee Bhd for OSK-UOB Emerging Opportunity Unit Trust (4611)	800,000	0.55
28.	Pembinaan Musali Sdn. Bhd.	770,000	0.53
29.	ECML Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chye Ao Hsiang	728,000	0.50
30.	Citigroup Nominees (Asing) Sdn. Bhd. CIPLC for Manulife Global Fund – Asian Small Cap Equity Fund	700,000	0.48
	TOTAL	**110,587,300**	**76.23**

NOTICE IS HEREBY GIVEN that the Seventh Annual General Meeting ("7th AGM") of the Company will be held at the Grand Ballroom, LG Level, Eastin Hotel, 13, Jalan 16/11, Pusat Dagang Seksyen 16, 46350, Petaling Jaya, Selangor Darul Ehsan on Monday, 23 April 2012 at 10:00 a.m. for the following purposes:-

1. To receive the Audited Financial Statements for the financial year ended 31 October 2011 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 first and final tax exempt single tier dividend of 3.75 sen per ordinary share for the financial year ended 31 October 2011. **(Resolution 1)**

3. To approve the payment of Directors' fees for the financial period from 1 November 2010 to 31 December 2011. **(Resolution 2)**

4. To approve the payment of Directors' fees with effect from 1 January 2012. **(Resolution 3)**

5. To re-elect Encik Daud Bin Ahmad, 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 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)**

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 7)**

As Special Business

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 8)**
   - **PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

"**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 30 March 2012 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 - PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK** **(Resolution 9)**

"**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/Statement to Shareholders dated 30 March 2012.

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 10)**
- AUTHORITY TO ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965

"**THAT** subject to Section 132D of the Companies Act, 1965 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 Malaysia Securities Berhad.

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. **SPECIAL RESOLUTION** **(Resolution 11)**
- PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION OF THE COMPANY

"**THAT** the Proposed Amendments to the Company's Articles of Association as set out in the Circular/Statement to Shareholders dated 30 March 2012, be and are hereby approved AND THAT the Directors and Secretaries of the Company be and are hereby authorised to take all steps as are necessary and expedient in order to implement, finalise and give full effect to the said Proposed Amendments to the Company's Articles of Association."

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

By Order of the Board

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

Dated : 30 March 2012

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

Notice is hereby given that the first and final tax exempt single tier dividend of 3.75 sen per ordinary share for the financial year ended 31 October 2011, if approved by the shareholders at the Seventh Annual General Meeting, will be payable on 15 June 2012 to shareholders whose names appear in the Record of Depositors on 16 May 2012.

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 16 May 2012 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 : 30 March 2012

NOTES:

1. In respect of deposited securities, only members/shareholders whose names appear in the Record of Depositors on 16 April 2012 shall be eligible to attend the Meeting.

2. A member/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 member/shareholder of the Company and a member/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 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 member 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 member 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 member 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, 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 Companies Act, 1965 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 8 – Proposed Shareholders' Mandate

   The proposed Resolution 8 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 30 March 2012 for further information.

   (ii) Resolution 9 – Proposed Authority for the Company to Purchase Its Own Shares

   The proposed Resolution 9 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 Malaysia Securities Berhad.

   Please refer to the Circular/Statement to Shareholders dated 30 March 2012 for further information.

   (iii) Resolution 10 – Authority to Issue Shares

   The proposed Resolution 10 is intended to renew the authority granted to the Directors of the Company at the Sixth Annual General Meeting of the Company held on 27 April 2011 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 Sixth Annual General Meeting of the Company held on 27 April 2011 have been utilised via a private placement exercise which have been completed on 22 March 2012, where 14,500,000 new ordinary shares of RM0.50 each have been issued. The proceeds raised from the private placement exercise was RM26,100,000.

   The new General Mandate will enable the Directors to take swift action for allotment of shares for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s), working capital and/or acquisition(s) and to avoid delay and cost in convening general meetings to approve such issue of shares.

   (iv) Resolution 11 – Proposed Amendments to the Articles of Association

   The proposed Resolution 11 is intended to streamline the Company's Articles of Association to be aligned with the recent amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad which took effect on 3 January 2012.

   Please refer to the Circular/Statement to Shareholders dated 30 March 2012 for further information.

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

FORM OF PROXY

CDS Account No.
Number of ordinary shares.

*I/We________________________________ 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 Seventh Annual General Meeting of the Company to be held at the Grand Ballroom, LG Level, Eastin Hotel, 13, Jalan 16/11, Pusat Dagang Seksyen 16, 46350, Petaling Jaya, Selangor Darul Ehsan on on Monday, 23 April 2012 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) shall vote on *my/our behalf.

Please indicate with an "X" in the spaces provided below as to how you wish your votes to be casted. If no specific direction as to voting is given, the proxy will vote or abstain from voting at *his/her discretion.

My/our proxy is to vote as indicated below :

Item	Agenda	Resolution	For	Against
1.	To receive the Audited Financial Statements for the financial year ended 31 October 2011 together with the Reports of the Directors and the Auditors thereon.			
2.	To approve the declaration and payment of a first and final tax exempt single tier dividend of 3.75 sen per ordinary share for the financial year ended 31 October 2011.	1		
3.	To approve the payment of the Directors' fees for the financial period from 1 November 2010 to 31 December 2011.	2		
4.	To approve the payment of Directors' fees with effect from 1 January 2012.	3		
5.	To re-elect Encik Daud Bin Ahmad, who is retiring in accordance with Article 84 of the Company's Articles of Association and being eligible, has offered himself for re-election.	4		
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 re-appointed as Director of the Company.	5		
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 re-appointed as Director of the Company.	6		
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.	7		
Special Business				
8.	Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue Or Trading Nature.	8		
9.	Proposed Renewal of Authority for Share Buy-Back.	9		
10.	Authority to Issue Shares pursuant to Section 132D of the Companies Act, 1965.	10		
11.	Proposed Amendments to the Articles of Association of the Company.	11		

As witness *my/our hand(s) this day ____________________ of _______________________ ,2012.

____
*Signature/Common Seal of Shareholder

**Strike out whichever not applicable*

NOTES:

1. *In respect of deposited securities, only members/shareholders whose names appear in the Record of Depositors on 16 April 2012 shall be eligible to attend the Meeting.*
2. *A member/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 member/shareholder of the Company and a member/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 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 member 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 member 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 member 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, 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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