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CYPARK RESOURCES BERHAD (642994-H)



(Company No. 642994-H)
(Incorporated in Malaysia under the Companies Act, 1965)

ANNUAL REPORT 2010

Cover Rationale

At Cypark Resources, we envision our business in the integrated environmental engineering and technology field as a lifelong business and dedication to preserve nature for today and years to come. The Company logo surrounded

by the Green Nature, our endeavour is to preserve and pioneer a Green Future for today and restore the natural environmental for the future generations.



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Corporate Information

Board Of Directors

Tan Sri Razali bin Ismail

*Non-Executive Chairman,
Non-Independent Non-Executive Director*

Siow Kwang Khee

*Executive Vice Chairman
Non-Independent 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

Members

Headir bin Mahfidz
Tan Sri Razali bin Ismail

Nomination Committee

Chairman

Dato' Dr. Freezailah bin Che Yeom

Members

Hasan Bin Haji Hamzah
Tan Sri Razali bin Ismail

Remuneration Committee

Chairman

Dato' Dr. Freezailah bin Che Yeom

Members

Hasan Bin Haji Hamzah
Tan Sri Razali bin Ismail

Company Secretaries

Chua Siew Chuan (MAICSA 0777689)
Mak Chooi Peng (MAICSA 7017931)
Low Kuan Wei (MAICSA 7025389)

Corporate Office

Unit 13A-09, Block A,
Phileo Damansara II
No. 15, Jalan 16/11
46350 Petaling Jaya
Selangor Darul Ehsan
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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 (36869-7)
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

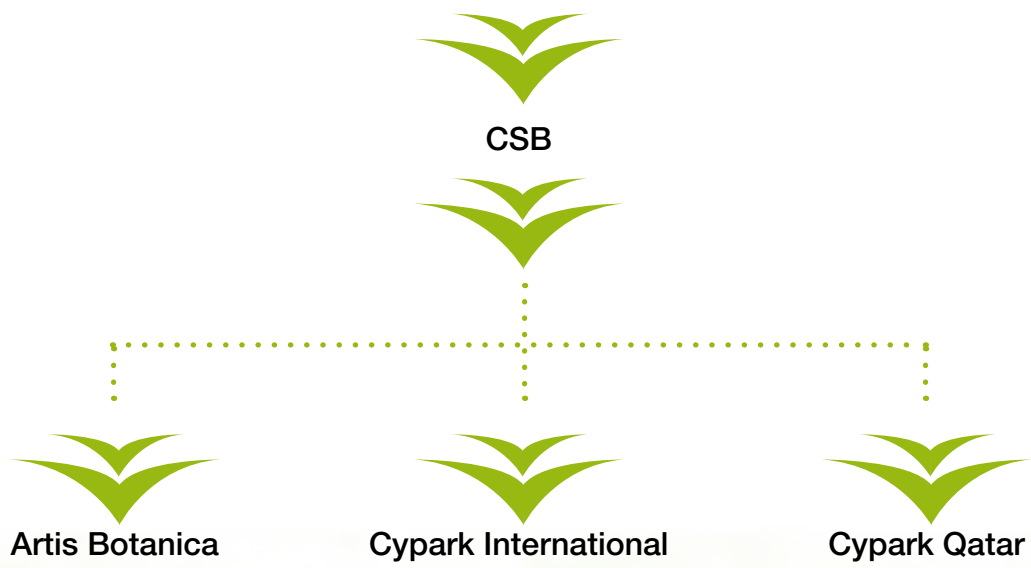
Malayan Banking Berhad (3813-K)
Menara Maybank
100, Jalan Tun Perak
50050 Kuala Lumpur
Tel: 03-2070 8833

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

Stock Exchange Listing

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

Corporate Structure



Chairman's Statement

Dear Shareholders

On behalf of the Board of Directors, it is my pleasure to present to you the Annual Report and Audited Financial Statements of Cypark Resources Berhad ("the Company") and its subsidiary companies ("the Group") for the financial year ended 31st October 2010.

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



REVIEW OF PERFORMANCE AND FINANCIAL RESULTS

I am delighted to report that for the financial year ended 31st October 2010, the Group delivered its most profitable set of results since its incorporation. The Group recorded a net profit of RM 20.3 million, an increase of 115% over the prior year whilst total revenue also grew at a significant pace of 88% to RM 177.5 million. Environmental business continued to be the major contributor to the Group's results with turnover increasing by 191% over FY 2009, bagged from the 16 National Landfill Restoration Contract secured since 2008.

The Group's balance sheet continues to remain strong with Shareholders' Fund at RM 87.4 million. On the enlarge share capital of 145 million shares, this translates into a net asset value per share of RM0.60 as at 31st October 2010. The Group's debt to equity ratio has been reduced

significantly from 154% in FY 2009 to 40% in FY 2010. The Group's cash and cash equivalent increased tremendously from RM 17.1 million a year earlier to RM 61.2 million.

DIVIDEND

On the basis of the Group's strong performance, the Board of Directors of the Company is pleased to recommend a first and final tax-exempt (single tier) dividend of 5.25% per share based on the total paid-up share capital of 145,000,000 ordinary shares of RM0.50 each, amounting to a total dividend payable of RM 3,806,250 (2.625 sen per share) in respect of the financial year ended 31st October 2010.

The above, if approved by the shareholders of the Company at its forthcoming Annual General Meeting to be held on 27th April 2011 and shall be payable on a later date to

be determined by the Board of Directors as they deemed fit and expedient after its dividend entitlement and book closure date on fixed on 16 May 2011.

PROSPECT FOR THE NEW FINANCIAL YEAR

The Group has experienced a tremendous and eventful year 2010 which saw a significant growth in both revenue and profit. It has also successfully been listed on the Main Market of the Bursa Malaysia Securities Berhad on 15th October 2010.



Looking ahead, the outlook for FY 2011 is promising. Specific to the solid waste management, the government has emphasized the urgency for better waste management through the National Strategic Plan for Waste Management and related regulations/initiative. While government support is strong and encouraging, market growth of solid waste management services is also expected to be driven by increasing waste output of Malaysia's population. Urbanization and the increasing development of urban areas are the main causes to the increasing consumption and solid waste generation. By 2020, daily solid waste output is expected to bloat to 30,000 tonnes compared to a current level of approximately 20,550 tonnes.

In view of the prospect and future growth of the waste management and environmental industry as outlined in the above National Strategic Plan for Solid Waste Management and the allocation under government's Tenth Malaysia Plan, we are confident that our business will continue to grow and we are poised to take greater advantage of the opportunities in this fast growing market. Our Group will continue to concentrate on the provision of integrated environmental solutions with emphasis on landfill management, remediation and restoration services

and innovative solutions for our clients leading to securing more solid waste management projects in future.

Our overall strategy is to continue the focus on growing our environmental business. We believe Solid Waste Management market (which valued at RM3.82 billion in 2009) will continue to enjoy strong growth and is expected to grow at CAGR of 5.3% from 2009 to 2014, underpinned by strong government policy, growing waste output and higher environmental awareness by the public.

Secondly, we plan to embark/venture into the renewable energy business in the future years to come. We are excited that our proposed Renewable Energy Park project has been included as one of the Entry Point Projects (EPPs) of the National Economic Transformation Program (ETP) as announced by the Prime Minister of Malaysia on 8th March 2011. Our Group will spearhead an initiative to build a Renewable Energy Park (RE Park) on 26 hectares of remediated landfill in Pajam, Nilai, Negeri Sembilan. The proposed 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 in Pajam Landfill.

The RE Park will unlock the economic potential of landfill sites. Through a sustainable program outlined by the Company, the economic opportunities of unsanitary landfills, otherwise locked and lost for at least 15-20 years, will be realised in the near future. We are excited by the development of and the excellent response to this project. We believe that with the multiple initiatives being implemented by the government in promoting the Renewable Energy sector, our plans above as part of our future growth, will augur well for our Group this sector in the coming years.



Chairman's Statement (cont'd)



Finally, with the various initiatives taken in the last few years to develop the support structure of our business, we now have a strong platform for growth and we are poised to reap the efficiencies of these initiatives.

CORPORATE DEVELOPMENTS

The Group will continue to develop new and applicable technologies through our investment in Research and Development. Our collaboration with University Kebangsaan Malaysia is expected to provide the Group with products and technologies with potential of patented rights.

CORPORATE SOCIAL RESPONSIBILITY

The Group views Corporate Social Responsibility (CSR) as a continuing commitment by business to behave ethically, respect the environment and contribute to economic and social development while improving the quality of workforce, stakeholders value and the local community at large.

The Group is proud that the projects undertaken by us so far are by and large green environmental projects which promote the preservation of the environmental and environmental awareness. The business activities are

according to environmental protection management which ultimately helps preserve the environment for our future generation by converting contaminated resources into useable resources in the areas of land preservation, water preservation and clean energy generation. This provides value and discharges social responsibility, to help preserve the environment for future generation.

The Group had also participated in events organized by various charitable activities and organization and had made financial contribution of RM 280,000 during the financial year ended 31st October 2010. The Group will continue to play its role as an organization that actively supports and encourages all its employees and businesses to find ways to inculcate the culture of Corporate Social Responsibility.

APPRECIATION AND ACKNOWLEDGEMENT

On behalf of the Board, I wish to express our appreciation to our valued clients and suppliers for their continued support and loyalty, to the relevant government authorities for their continued guidance and assistance, and to our associates, bankers and business partners for their continued support and confidence.

I wish to convey my gratitude to my fellow Directors for their advice and support and, to the management and staff for their dedication and commitment in performing their roles and duties with a commendable team spirit. Our achievements are a result of the concerted and collective efforts and contribution from each and every member of the Cypark team.

Credits must be given to all our loyal and dedicated employees who have continued to stay with us throughout the challenging years and had diligently contributed all their hard work and tireless effort in bringing and shaping up the Company's growth to what it is today.

In closing, we would like to thank you again, our esteemed and valued shareholders, for your continued support, confidence and trust in us as we strive to increase your shareholder value in the Company. We wish to assure you that we will continue to work hard and uphold your trust and confidence in us.

Tan Sri Razali Bin Ismail

Non-Executive Chairman

Non-Independent Non-Executive Director

Board of Directors



1 **Headir bin Mahfidz**
Independent Non-Executive Director

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

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

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

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

6 **Hasan bin Haji Hamzah**
Independent Non-Executive Director

Directors' Profile

1

Tan Sri Razali bin Ismail

Non-Executive Chairman,
Non-Independent Non-Executive Director

Yg Bhg Tan Sri Razali bin Ismail, a Malaysian, aged 71, was appointed to the Board on 1 October 2006. He is a substantial shareholder of the Company and is also the founder of CSB. Yg Bhg Tan Sri Razali was appointed by the Board as a member of the Audit Committee on 22 September 2010 and is also a member of the Nomination and Remuneration Committee.

Yg. Bhg 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 and served in various capacities in the Ministry and also in the world bodies 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.

Yg Bhg Tan Sri Razali has attended two (2) out of the two (2) Board of Directors' Meetings held during the financial year ended 31 October 2010. 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.

2

Siow Kwang Khee

Executive Vice Chairman
Non-Independent Executive Director

Siow Kwang Khee, a Malaysian, aged 50, was appointed to the Board on 1st October 2006. He is a substantial shareholder of the Company and is also one of the co-founder of CSB. 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 two (2) out of the two (2) Board of Directors' Meetings held during the financial year ended 31 October 2010. 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.

3

Daud Bin Ahmad

Group Chief Executive Officer
Non-Independent Executive Director

Encik Daud bin Ahmad, a Malaysian, aged 45, was appointed to the Board on 1st October 2006 and is one of the co-founder of CSB.

He graduated with a Bachelor of Science (Accounting) with Honours and Distinction from the Pennsylvania State University, USA in 1989. Previously, he worked for KPMG, Motorola Malaysia Sdn Bhd, ESSO Production Malaysia Inc. and Ayer Molek Berhad prior to his involvement in the landscape industry.

Encik Daud bin Ahmad has attended two (2) out of the two (2) Board of Directors' Meetings held during the financial year ended 31 October 2010. 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.

4

Dato' Dr Freezailah Bin Che Yeom

Independent Non-Executive Director

Dato' Dr. Freezailah bin Che Yeom, a Malaysian, aged 70 was appointed to the Board on 8 June 2010. He has also been appointed by the Board as Chairman of the Audit Committee on 22 September 2010 and is also the Chairman of the Nomination 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 two (2) out of the two (2) Board of Directors' Meetings held during the financial year ended 31 October 2010. 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.

5

Hasan Bin Haji Hamzah

Independent Non-Executive Director

Encik Hasan bin Haji Hamzah, a Malaysian, aged 60, was appointed to the Board on 8 June 2010. He is also a member of the Nomination and Remuneration Committee.

He obtained his Diploma in Architecture from Mara Institute of Technology (now known as Universiti Teknologi MARA) ("UiTM") in 1972. He also holds a Diploma in

Technology in Architecture from the South Australian Institute of Technology, University of South Adelaide which he obtained in 1978.

He recently served as a Technical Advisor to the Mayor of Kuala Lumpur from 2006 to 2007 and was previously a Director in 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 two (2) out of the two (2) Board of Directors' Meeting held during the financial year ended 31 October 2010. 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.

6

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.

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 two (2) out of the two Board of Directors' Meetings held during the financial year ended 31 October 2010. 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.



Tapak Pelupusan Ladang Cep, Johor



Tapak Pelupusan Batu Empat, Kota Tinggi, Johor



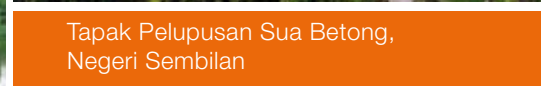
Tapak Pelupusan Rimba Terjun, Johor



Tapak Pelupusan Ulu Maasop, Negeri Sembilan



Our Projects



Tapak Pelupusan Sua Betong, Negeri Sembilan



Tapak Pelupusan Bukit Palong, Port Dickson, Negeri Sembilan



Tapak Pelupusan Kuala Sawah, Negeri Sembilan



Tapak Pelupusan Pajam, Negeri Sembilan



Tapak Pelupusan Ulu Tualang, Pahang



Tapak Pelupusan Mat Kilau, Pahang



Tapak Pelupusan Kuala Perlis, Perlis



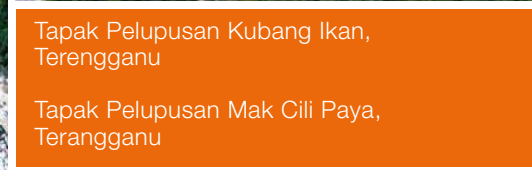
Tapak Pelupusan Jabor Jerangau, Pahang



Tapak Pelupusan Gelugor, Terengganu



Tapak Pelupusan Kubang Ikan, Terengganu



Tapak Pelupusan Mak Cili Paya, Terengganu



Corporate Governance Statement

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 Company and of the Group. The Board has always been vigilant of its fiduciary duties entrusted upon them 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 of 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 and in pursuant to Paragraph 15.25 of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad throughout the financial year ended 31 October 2010.

Board Of Directors

Board Compositions

The Board currently has six (6) members, comprising of two (2) Executive Directors and four (4) Non-Executive Directors, three who are independent and one of whom is non-independent. This strong and independent element brings an objective and independent judgement 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 "Profile of Directors".

Board Balance

Yg Bhg Tan Sri Razali bin Ismail, a Non-Independent Non-Executive Director, chairs the Board and the Group's Chief Executive Officer is Encik Daud bin Ahmad. There is a clear division of responsibility 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 which represents half (1/2) of the Board are considered to be independent of management and free from any businesses or relationships which could materially interfere with the exercise of their independent judgments.

The two Non-Independent Executive Directors bring with them a wide range of business experiences, financial, economics, technical skills and other experiences 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 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 also proper balance in the Board with the presence of the three 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

Corporate Governance Statement (cont'd)

the strategies proposed by the Executive Directors are deliberated on and take into account the interest, not only of the Company, but also that of the shareholders, employees, customers, suppliers and the community.

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 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 two (2) times during the financial year ended 31 October 2010 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 2010 was as follow:-

Directors	Attendance
Tan Sri Razali bin Ismail	2 out of 2
Daud bin Ahmad	2 out of 2
Siow Kwang Khee	2 out of 2
Dato' Dr. Freezailah bin Che Yeom (<i>Appointed on 8 June 2010</i>)	2 out of 2
Hasan bin Haji Hamzah (<i>Appointed on 8 June 2010</i>)	2 out of 2
Headir bin Mahfidz (<i>Appointed on 7 September 2010</i>)	2 out of 2

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, deliberate 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;

Corporate Governance Statement (cont'd)

- 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 which was formed on 22 September 2010, whose roles and functions are as set out in the ensuing pages under the heading of "Report of the Audit Committee". 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 and Remuneration Committees.

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 comprises exclusively the two (2) 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 current and 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
Tan Sri Razali bin Ismail	Member, Non-Independent Non-Executive Director

The Nomination Committee shall meet as and when deemed fit, necessary and expedient.

iii. Remuneration Committee

The Remuneration Committee comprises exclusively the two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. They are 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.

Corporate Governance Statement (cont'd)

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 Non-Executive Director

The Remuneration Committee holds one meeting during the financial year to review the remuneration packages of its Executive Directors including the Group Chief Executive Officer.

Both the Nomination and Remuneration Committees however 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 were determined fairly based on the performance and the profitability of the Group as a whole. The Directors' remuneration was at the discretion of the Board, taking into account the comparative market rates which commensurate with their level of contributions, experiences and participations of each of the said Directors. 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 also 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 in the Company. The remuneration package of Non-Executive Directors will be a matter to be decided by the Board with the Director concerned abstaining from deliberations and voting on decisions in respect of his individual remuneration.

Directors' fees payable to Non-Executive Directors during the financial year were recommended by the Board and would have to be approved by the shareholders at the Annual General Meeting. 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 2010 is tabulated as follows:-

	Executive Directors RM	Non-Executive Directors RM	Total RM
Salaries & other emoluments	1,369,500	-	1,369,500
Fees	-	459,000	459,000
Benefit in kind/others	157,659	-	157,659

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 :-

Corporate Governance Statement (cont'd)

Range of Remuneration	Number of Directors	
	Executive	Non-Executive
RM0 – RM50,000	-	3
RM50,001 - RM400,000	-	-
RM400,001 – RM450,000	-	1
RM450,001 – RM500,000	-	-
RM500,001 – RM550,000	-	-
RM550,001 – RM600,000	-	-
RM600,001 – RM650,000	-	-
RM650,001 – RM700,000	-	-
RM700,001 – RM750,000	-	-
RM750,001 – RM800,000	2	-

Re-election and Re-appointment of Directors

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

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 Secretary 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 Main Market Listing Requirements, 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) conducted by the training arm of the Bursa Malaysia and as prescribed by the Main Market Listing Requirements.

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

Corporate Governance Statement (cont'd)

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

Investors' Relation And Shareholders' Communication

Investors' 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 the Bursa Malaysia which 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 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 Secretary, who report directly to the Non-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 Non-Executive Chairman, the Chief Executive Officer, the Executive Directors, the Group Financial Controller and the Secretary will be available to respond to the shareholders' queries during the Meeting.

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

Accountability 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 of Internal Control".

Relationship with Auditors

The Board through the establishment of an 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 its Terms of

Corporate Governance Statement (cont'd)

References are set out in the section under the heading of "Report of the Audit Committee".

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 Main Market Listing Requirements, the Board considers that the Group has generally complied throughout the financial year ended 31 October 2010 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 at a Meeting held on 24 March 2011.

Audit Committee Report

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

Members of The Audit Committee

Dato' Dr. Freezailah bin Che Yeom	Chairman, Independent Non-Executive Director
Encik Headir bin Mahfidz	Member, Independent Non-Executive Director
Tan Sri Razali bin Ismail	Member, Non-Independent Non-Executive Director

Terms of Reference

Composition

The Board shall appoint the Audit Committee members from amongst themselves, comprising no fewer than three (3) members, all of whom shall be Non-Executive Directors, where the majority shall be Independent Directors.

In this respect, the Board adopts the definition of "independent director" as defined under the Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements.

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.

Retirement and Resignation

If a member of the Audit Committee resigns, dies, or for any reason ceases to be a member resulting in non-compliance to the composition criteria as stated in paragraph 1 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.

Constitution

The Board resolved to establish a Committee of the Board to be known as the Board of Audit Committee.

Chairman

The members of the Audit Committee shall elect a Chairman from amongst their number who shall be an independent non-executive director.

In the absence of the Chairman of the Audit Committee, the other members of the Audit Committee shall amongst themselves elect a Chairman who must be Independent Director to chair the meeting.

Audit Committee Report (cont'd)

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 to determine whether such Audit Committee and members have carried out their duties in accordance with their terms of reference.

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 Chief Executive Officer, the Finance Director, the head of internal audit and the external auditors in order to be kept informed of matters affecting the Company. The Finance Director, the head of internal audit 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. The minutes of the Audit Committee meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.

Quorum

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

Reporting

The Audit Committee shall report to the Board of Directors, either formally in writing, or verbally, as it considers appropriate on the matters within its terms of reference at least once a year, but more frequently if it so wishes. The Audit Committee shall report to the Board of Directors on any specific matters referred to it by the Board for investigation and report.

Audit Committee Report (cont'd)

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. have explicit authority to investigate any activity within its terms of reference. All employees shall be directed to co-operate as requested by members of the Audit Committee.
- b. have full and unlimited/unrestricted access to all information and documents/resources which are required to perform its duties as well as to the internal and external auditors and senior management of the Company and the Group.
- 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 person(s) carrying out the internal audit function or activity (if any).
- e. where the Audit Committee is of the view that the matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements, the Audit Committee shall promptly report such matter to Bursa Securities.

Duties and Responsibilities

The 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 before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;
- c. To review with the external auditor his evaluation of the system of internal controls and his audit report;
- d. 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.

Audit Committee Report (cont'd)

- e. To discuss problems and reservations arising from the interim and final audits, and any matter the auditor may wish to discuss (in the absence of management, where necessary);
- f. To review the external auditor's management letter and management's response;
- g. 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 audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning;
- h. 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;
- i. To report its findings on the financial and management performance, and other material matters to the Board;
- j. To consider the major findings of internal investigations and management's response;
- k. 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;
- l. To determine the remit of the internal audit function;
- m. To monitor the integrity of the Company's financial statements;
- n. To monitor the independence and qualification of the Company's independent auditor;
- o. To monitor the performance of the Company's internal audit function;
- p. To monitor the Company's compliance with relevant laws, regulations and code of conduct;
- q. To consider other topics as defined by the Board; and
- r. 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 in accordance to its Terms of Reference. The meeting will normally be attended by the members of the Committee and the Head of the Finance Department, 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.

Audit Committee Report (cont'd)

Since the Audit Committee was formed on 22 September 2010 and the Company was officially listed on the Main Market of Bursa Malaysia Securities Berhad on 15 October 2010, during the financial year ended 31 October 2010, there were only two (2) 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	2 out of 2
Encik Headir bin Mahfidz	2 out of 2
Tan Sri Razali bin Ismail	2 out of 2

Summary of Duties and Activities of the Committee

During the financial year ended 31 October 2010, the Committee has discharged its duties and functions effectively, 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 2010 prior to the Board's approval for release to the 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 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;
- d. 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 2010 and discussed any significant issues and concerns arising from the audit;
- e. deliberated on major issues the external auditors may wish to discuss, and to review the financial statements which the Committee would normally 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, problems and reservations arising from the interim and final external audits, if any;
- f. 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;
- g. reviewed with the external auditors, the adequacy of the internal control and risk management systems and evaluate the systems with the external auditors as well as having considered and to review and report if any, letter of resignation from the external auditors to the Company, and where there is, reason (supported by grounds) to believe that the Company's external auditors is not suitable for re-appointment, otherwise to make

Audit Committee Report (cont'd)

recommendation to the Board on the re-appointment of the existing external auditors and to determine their audit fees.

- h. reviewed the adequacy of the scope, functions and resources of having to set-up an internal audit function within the Group or to outsourced the functions of the internal audit. Once established internally, or otherwise outsourced, by having identified and appointed the internal audit firm, the internal auditors would then have the necessary authorities to carry out and perform their work, duties and functions effectively;
- i. 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
- j. discussed and ensure the external auditors' review of the Statement of Internal Control of the Group for inclusion in the Annual Report for the year 2010.

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 committed to ensure that the Company is working towards conforming and enhancing good corporate governance and that good corporate governance is to be practiced throughout the Group as a fundamental part of discharging its responsibilities with the objectives of safeguarding shareholders' investment and ultimately enhancing shareholders' value. The Company also acknowledged and the Audit Committee had stressed and advised on the significance of the internal audit function, that the internal audit is to cover risk assessments and audit planning for all units within the Group and to render assistance in evaluating and reporting on the Group's principle business risks as well as be required to assist the management in recommending certain risk management mechanisms to enhance the existing framework.

The Company presently does not have an internal audit function. The Audit Committee has relied on the discussions with the Senior Management and the tight control of the Executive Directors in reviewing the quarterly financial statements and performances, and the inputs of the external audit reports to discharge its duties, functions and responsibilities appropriately.

Notwithstanding the above, the Audit Committee is committed to ensure that the best practices as recommended by the Malaysian Code of Corporate Governance and the Listing Requirements are being adhered to. The Committee is in the process of recommending to the Board to quickly establish an internal audit function, or effectively, to outsource its internal audit function with high proficiency and due professional care to comply with the relevant requirements of the Malaysian Code on Corporate Governance.

Statement of Internal Control

Introduction

The Main Market Listing Requirements of the Bursa Malaysia Securities Berhad (“Bursa Securities”) requires a listed company to ensure that its Board of Directors include a statement in the Annual Report on the state of the internal control of the listed company as a Group. The Malaysian Code on Corporate Governance 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 2010, which has been prepared in accordance with the Statement on Internal Control : Guidance for Directors of Public Listed Companies issued by The Institute of Internal Auditors Malaysia and adopted by Bursa Securities.

The Bursa Securities’ Statement on Internal Control : Guidance for Directors of Public Companies (“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 said 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

Statement of Internal Control (cont'd)

control regularly. To assist the Board in the review of its internal control systems, the Audit Committee set-up by the Board comprises one (1) Non-Independent Non-Executive Directors and two (2) 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 at least four (4) times in each calendar year to carry out its duties and functions effectively. However, as the Audit Committee was formed on 22 September 2010 and the Company was officially listed on the Main Market of the Bursa Securities on 15 October 2010, the Audit Committee has todate met only twice for the financial year ending 31 October 2010. 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 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, 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 prepare 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 Company presently does not have an internal audit function. The Audit Committee has then relied on the discussions with the higher management and tight control of the Executive Directors of the Company in reviewing the quarterly financial performance and the input of the external audit reports to discharge its functions, duties and responsibilities appropriately.

Statement of Internal Control (cont'd)

In cognizance with the best practices recommended by the Malaysian Code on Corporate Governance and the Main Market Listing Requirements, the Board is in the process of outsourcing its internal audit function with high proficiency and due professional care in complying with the requirements of the Malaysian Code on Corporate Governance.

Notwithstanding this, the Board acknowledges the importance of an internal audit function and is committed to ensure that a sound system of internal control is in place and being maintained throughout the Group and good corporate governance is observed and practiced as a fundamental part of discharging its responsibilities with the objectives of safeguarding shareholders' investment and ultimately enhancing shareholders' value.

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.

Other Compliance Information

Share Buyback

During the financial year ended 31 October 2010, there were no share buybacks undertaken by the Company. The general mandate to obtain shareholders' approval for share buybacks will be sought at the forthcoming Annual General Meeting as stated in the Circular to Shareholders attached to this Annual Report.

Exercise of Options, Warrants or Convertible Securities

The Company did not issue any Options, Warrants or Convertible Securities during the financial year ended 31 October 2010.

American Depository Receipt or Global Depository Receipt Program

During the financial year ended 31 October 2010, the Company did not sponsor any American Depository Receipt or Global 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 2010, 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 2010.

Profit Guarantee

During the financial year ended 31 October 2010, 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 2010 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 to Shareholders 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 to Shareholders attached to the Annual Report wherein the Company is seeking for shareholders' 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 next 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, Solicitors and Valuers. The Adviser, Reporting Accountants, Solicitors and Valuers are paid a fee for their services.

Utilisation of Proceeds

On 15 October 2010, the Company with its entire issued and fully paid-up share capital of 145 million ordinary shares of RM0.50 each was successfully listed on the Main Market of the Bursa Malaysia Securities Berhad. The Company raised a gross proceeds of RM33.0 million from the Public Issue, out of which RM29,069,000 were utilized in the following manner as at the date of this Annual Report:-

	RM'000
Repayment of overdraft (contract) facility obtained for purpose of National Landfill Restoration project	10,000
Working Capital	16,200
Listing Expenses	2,869
Total	29,069

ESOS

The 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. During the financial year ended 31 October 2010, none of the options were taken up by the Directors and Employees of the Group. Save as disclosed hereinafter, the relevant details of the ESOS of the Group are set out in Note 34 (b) of the Financial Statements of this Annual Report.

Corporate Social Responsibility

In respect to its Corporate Social Responsibility, the Company had during the financial year ended 31 October 2010 contributed RM280,000/- 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 2010.

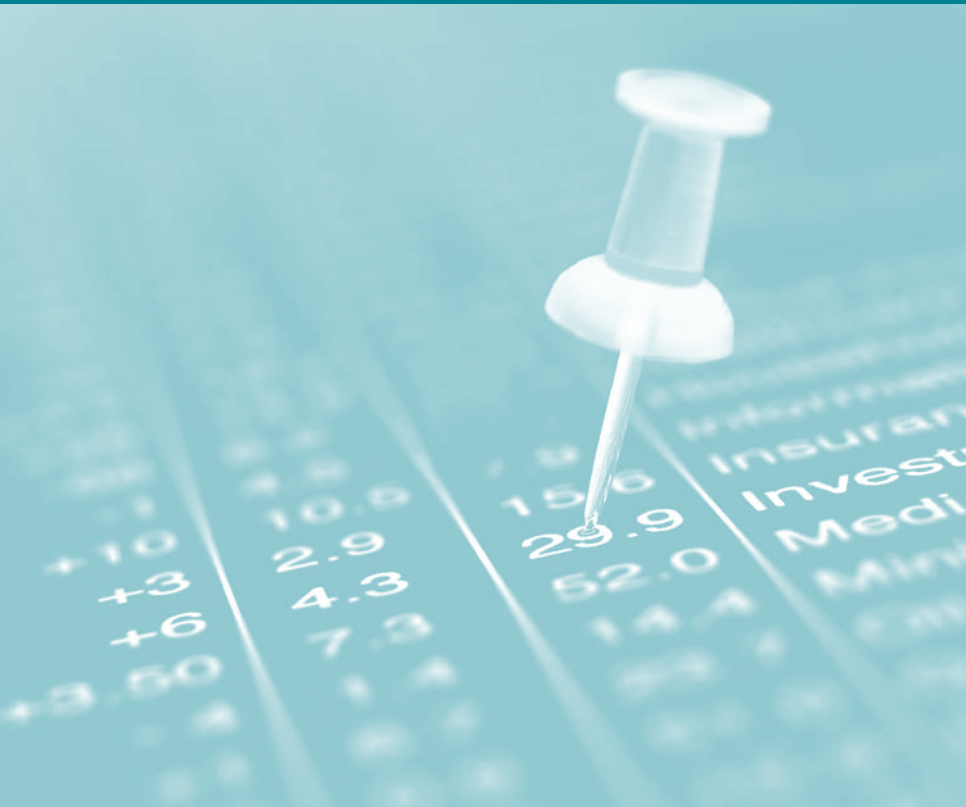
In order to ensure that the financial statements are properly drawn up, the Board has taken the following measures :-

- 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.



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Directors' Report

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 October 2010.

Principal activities

The Company is an investment holding company. The Company secured a contract for the closure and restoration of landfill located in various locations throughout West Malaysia.

The principal activities of the subsidiaries are stated in Note 13 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 for the year	20,288,642	26,310,802

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

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

Dividends

At the forthcoming Annual General Meeting, a first and final tax exempt (single tier) dividend in respect of the financial year ended 31 October 2010 of 2.625 cents per share on 145,000,000 ordinary shares, amounting to a dividend payable of RM3,806,250 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 2011.

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 (appointed on 8 June 2010)

Hasan Bin Haji Hamzah (appointed on 8 June 2010)

Headir Bin Mahfidz (appointed on 7 September 2010)

Directors' Report (cont'd)**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 7 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 in the Company and its related corporations during the financial year were as follows:

	Number of ordinary shares of RM0.50 each				31 October 2010
	1 November 2009	Bought	Bonus issue	Sold	
The Company					
Direct interest:					
Tan Sri Razali Bin Ismail	22,960,000	26,000,000	21,419,996	(23,504,396)	46,875,600
Siow Kwang Khee	24,640,002	-	10,780,000	(20,950,002)	14,470,000
Daud Bin Ahmad	6,400,002	7,612,998	2,800,000	(4,093,600)	12,719,400
Dato' Dr. Freezailah Bin Che Yeom	-	100,000	-	-	100,000
Headir Bin Mahfidz	-	25,000	-	-	25,000

Tan Sri Razali Bin Ismail by virtue of his interest in shares in the Company is also deemed interested in shares of 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.

Directors' Report (cont'd)

Issue of shares

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM40,000,002 to RM72,500,000 by way of:

- (a) 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
- (b) 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 sixteen (16) ordinary shares of RM0.50 each held prior to the Public Issue via capitalisation from the retained earnings.

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

Employees' 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.

The salient features and other terms of the ESOS are disclosed in Note 34(b) to the financial statements.

Other statutory information

- (a) Before the income statements and balance sheets 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 there were no known bad debts 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) it necessary to write off any bad debt or the amount of the allowance for doubtful debts inadequate to any substantial extent in respect of these financial statements; 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.

Directors' Report (cont'd)

- (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.

Significant events

Details of the significant events are disclosed in Note 34 to the financial statements.

Auditors

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 22 February 2011.

Tan Sri Razali Bin Ismail

Daud Bin Ahmad

Statement by directors

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

We, Tan Sri Razali Bin Ismail and Daud Bin Ahmad, being two of the directors of Cypark Resources Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 39 to 80 are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards 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 2010 and of the results and the cash flows of the Group and of the Company for the year then ended.

The information set out in Note 35 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 2011.

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 39 to 80 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 2011

Daud Bin Ahmad

Before me

Pesuruhjaya Sumpah Malaysia

Name : Karam Singh

No : B226

Independent auditors' report

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

Report on the financial statements

We have audited the financial statements of Cypark Resources Berhad, which comprise the balance sheets as at 31 October 2010 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 39 to 80.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with applicable Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with applicable Financial Reporting Standards and the Companies Act, 1965 ("Act") 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 2010 and of their financial performance and cash flows of the Group and of the Company for the year then ended.

Independent auditors' report to the members of Cypark Resources Berhad (Incorporated in Malaysia) (cont'd)

Report on other legal and regulatory requirements

In accordance with the requirements of the Act, 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 13 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 matters

The supplementary information set out in Note 35 on page 80 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.

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 2011

Income statements

For the year ended 31 October 2010

	Note	Group		Company	
		2010 RM	2009 RM	2010 RM	2009 RM
Revenue	3	177,552,535	94,037,184	184,985,937	58,393,613
Cost of sales	4	(127,929,459)	(74,035,762)	(138,256,301)	(49,184,537)
Gross profit		49,623,076	20,001,422	46,729,636	9,209,076
Other income		1,186,244	807,180	156,088	-
Administrative expenses		(11,155,545)	(3,489,621)	(5,053,342)	(542,621)
Operating profits		39,653,775	17,318,981	41,832,382	8,666,455
Finance costs	5	(9,987,925)	(4,483,270)	(5,640,084)	(482,273)
Profit before tax	6	29,665,850	12,835,711	36,192,298	8,184,182
Income tax expense	8	(9,377,208)	(3,398,300)	(9,881,496)	(2,403,725)
Profit for the year		20,288,642	9,437,411	26,310,802	5,780,457
Attributable to:					
Equity holders of the Company		20,288,642	9,437,411	26,310,802	5,780,457
Earnings per share attributable to equity holders of the Company					
- Basic	9	0.17	0.08		

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

Balance sheets

as at 31 October 2010

	Note	Group		Company	
		2010 RM	2009 RM	2010 RM	2009 RM
Assets					
Non-current assets					
Plant and equipment	11	1,697,594	514,618	-	-
Intangible asset	12	127,316	127,316	-	-
Investment in subsidiaries	13	-	-	40,000,000	40,000,000
Other investments	14	170,000	2,690,000	-	-
Deferred tax assets	15	75,099	34,116	-	-
Long term trade receivables	16	1,238,556	-	-	-
		3,308,565	3,366,050	40,000,000	40,000,000
Current assets					
Trade receivables	16	181,510,666	162,203,812	150,732,741	116,554,303
Other receivables	17	4,304,720	8,091,746	2,741,546	465,208
Cash and cash equivalents	18	61,259,045	17,176,548	27,234,944	1,098,623
		247,074,431	187,472,106	180,709,231	118,118,134
Total Assets		250,382,996	190,838,156	220,709,231	158,118,134
Equity and liabilities					
Equity attributable to equity holders of the Company					
Share capital	19	72,500,000	40,000,002	72,500,000	40,000,002
Share premium	19	15,204,519	-	15,204,519	-
Foreign currency translation reserve	20	(126,171)	4,976	-	-
Foreign statutory reserve	21	85,001	97,130	-	-
Reverse acquisition reserve	22	(36,700,000)	(36,700,000)	-	-
Retained earnings	23	36,399,301	33,610,657	14,139,089	5,328,285
Total Equity		87,362,650	37,012,765	101,843,608	45,328,287
Non-current liabilities					
Borrowings	24	1,442,959	361,800	-	-
Deferred tax liabilities	15	6,389	9,045	-	-
		1,449,348	370,845	-	-
Current liabilities					
Trade payables	26	26,292,816	36,000,196	11,014,070	11,836,100
Other payables	27	30,437,889	33,591,380	7,823,062	8,083,342
Due to a subsidiary	28	-	-	50,346,380	75,317,376
Borrowings	24	95,320,946	74,374,603	45,121,463	15,149,304
Tax payables		9,519,347	9,488,367	4,560,648	2,403,725
		161,570,998	153,454,546	118,865,623	112,789,847
Total Liabilities		163,020,346	153,825,391	118,865,623	112,789,847
Total Equity And Liabilities		250,382,996	190,838,156	220,709,231	158,118,134

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

Statements of changes in equity

For the year ended 31 October 2010

	Non-distributable				Distributable				Total RM
	Share capital RM	Share premium RM	Foreign currency translation reserve RM	Statutory reserve RM	Reverse acquisition reserve RM	Retained earnings RM	Total RM		
Group									
At 1 November 2008	40,000,002	-	(639,253)	97,081	(36,700,000)	24,173,246	26,931,076		
Profit for the year	-	-	-	-	-	9,437,411	9,437,411		
Foreign currency translation	20	-	644,229	49	-	-	644,278		
At 31 October 2009	40,000,002	-	4,976	97,130	(36,700,000)	33,610,657	37,012,765		
Issue of ordinary shares:									
- Issued for cash	15,000,000	18,000,000	-	-	-	-	33,000,000		
- Bonus issue	17,499,998	-	-	-	-	(17,499,998)	-		
Transaction costs	-	(2,795,481)	-	-	-	-	(2,795,481)		
Profit for the year	-	-	-	-	-	20,288,642	20,288,642		
Foreign currency translation	20	-	(131,147)	(12,129)	-	-	(143,276)		
At 31 October 2010	72,500,000	15,204,519	(126,171)	85,001	(36,700,000)	36,399,301	87,362,650		
Company									
At 1 November 2008	40,000,002	-	-	-	-	(452,172)	39,547,830		
Profit for the year	-	-	-	-	-	5,780,457	5,780,457		
At 31 October 2009	40,000,002	-	-	-	-	5,328,285	45,328,287		
Issue of ordinary shares:									
- Issued for cash	15,000,000	18,000,000	-	-	-	-	33,000,000		
- Bonus issue	17,499,998	-	-	-	-	(17,499,998)	-		
Transaction costs	-	(2,795,481)	-	-	-	-	(2,795,481)		
Profit for the year	-	-	-	-	-	26,310,802	26,310,802		
At 31 October 2010	72,500,000	15,204,519	14,139,089	14,139,089	15,204,519	14,139,089	101,843,608		

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

Cash flow statements

For the year ended 31 October 2010

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Cash flows from operating activities				
Profit before tax	29,665,850	12,835,711	36,192,298	8,184,182
Adjustments for:				
Depreciation of plant and equipment	430,990	335,387	-	-
Allowance for doubtful debts	296,251	-	-	-
Plant and equipment written off	-	148,503	-	-
Impairment of plant and equipment	66,412	-	-	-
Impairment of subordinated bond	2,520,000	-	-	-
Unrealised foreign exchange (gain)/loss	(110,192)	222,806	-	-
Interest expense	9,987,925	4,483,270	5,640,084	482,273
Interest income	(951,702)	(600,467)	(156,088)	-
Dividend income	-	-	(17,333,333)	-
Gain on disposal of plant and equipment	(80,800)	(11,609)	-	-
Gain on disposal of quoted shares	-	(2,264)	-	-
Operating profit before working capital changes	41,824,734	17,411,337	24,342,961	8,666,455
Changes in working capital:				
Receivables	(16,944,443)	(34,789,357)	(36,454,776)	(58,493,431)
Payables	(12,860,871)	(3,130,890)	(1,082,310)	11,912,783
Subsidiaries	-	-	(7,637,663)	24,345,435
Cash generated from/(used in) operating activities	12,019,420	(20,508,910)	(20,831,788)	(13,568,758)
Interest paid	(9,987,925)	(4,483,270)	(5,640,084)	(482,273)
Taxes paid	(9,389,867)	(1,227,685)	(7,724,573)	-
Net cash used in operating activities	(7,358,372)	(26,219,865)	(34,196,445)	(14,051,031)
Cash flows from investing activities				
Proceeds from disposal of plant and equipment	80,800	22,550	-	-
Proceeds from disposal of quoted shares	-	278,222	-	-
Purchase of plant and equipment	(198,626)	(48,877)	-	-
Interest received	951,702	600,467	156,088	-
Net cash generated from investing activities	833,876	852,362	156,088	-

Cash flow statements

For the year ended 31 October 2010 (cont'd)

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Cash flows from financing activities				
Proceeds from issuance of ordinary shares net of transaction cost	30,204,519	-	30,204,519	-
Repayment of term loan	(40,000,000)	-	-	-
Net drawdown of borrowings	1,852,154	10,113,312	4,050,000	-
Proceeds from revolving credit	39,300,000	-	-	-
Payment of hire purchase payables	(220,662)	(119,477)	-	-
Net cash generated from financing activities	31,136,011	9,993,835	34,254,519	-
Net increase/(decrease) in cash and cash equivalents	24,611,515	(15,373,668)	214,162	(14,051,031)
Cash and cash equivalents at beginning of year	(6,967,028)	8,386,291	(14,050,681)	350
Effects of foreign exchange rate changes	(136,028)	20,349	-	-
Cash and cash equivalents at end of year (Note 18)	17,508,459	(6,967,028)	(13,836,519)	(14,050,681)
Acquisition of plant and equipment during the financial year were financed by:				
Cash payments	198,626	48,877	-	-
Loan and hire purchase	1,489,000	-	-	-
	1,687,626	48,877	-	-

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

Notes to the financial statements

31 October 2010

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 secured a contract for the closure and restoration of landfill located in various locations throughout West Malaysia. The principal activities of the subsidiaries are disclosed in Note 13 to the financial statements. 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 2011.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements comply with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia. At the beginning of current financial year, the Group and the Company had adopted the new and revised FRS which is mandatory for financial periods beginning on or after 1 November 2009 as described fully in Note 2.3.

The financial statements of the Group and of the Company have also been prepared on a historical basis.

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

2.2 Summary of significant accounting policies

(a) Subsidiaries and basis of consolidation

(i) Subsidiaries

Subsidiaries are entities over which the Group has the ability to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(ii) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the balance sheet date. The financial statements of the subsidiaries are prepared for the same reporting date as the Company.

Notes to the financial statements (cont'd)

2. Significant accounting policies (cont'd)

2.2 Summary of significant accounting policies (cont'd)

(a) Subsidiaries and basis of consolidation (cont'd)

(ii) *Basis of consolidation* (cont'd)

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. In preparing the consolidated financial statements, intragroup balances, transactions and unrealised gains or losses are eliminated in full. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

On 1 October 2006, the Company acquired Cypark Sdn. Bhd. ("CSB") for a consideration satisfied by the issuance of 80,000,000 shares of RM0.50 each to the vendors. Under the Financial Reporting Standards ("FRS") 3: Business Combination, this transaction meets the criteria of a Reverse Acquisition. The consolidated financial statements have therefore been prepared under the reverse acquisition accounting method as set out by the said Standard, with CSB being treated as the accounting acquirer of the Company. In accordance with the principles of reverse acquisition, the consolidated financial statements have been prepared as if it had been in existence in its current group form since 1 November 2005. The consolidated financial statements represent therefore a continuation of CSB's financial statements.

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

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

Notes to the financial statements (cont'd)**2. Significant accounting policies (cont'd)****2.2 Summary of significant accounting policies (cont'd)****(b) Intangible assets*****Goodwill***

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(c) Plant and equipment and depreciation

All items of plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Subsequent to recognition, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

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

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of plant and equipment.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in profit or loss.

(d) Impairment of non-financial assets

The carrying amounts of assets other than deferred tax assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

Notes to the financial statements (cont'd)

2. Significant accounting policies (cont'd)

2.2 Summary of significant accounting policies (cont'd)

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

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs to. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs, or groups of CGU, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and 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.

An impairment loss is recognised in profit or loss in the period in which it arises.

Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed if, and 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. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

(e) Financial instruments

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends and gains and losses relating to a financial instrument classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are recognised directly in equity. Financial instruments are offset when the Company has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

(i) Cash and cash equivalents

For the purposes of the cash flow statements, cash and cash equivalents include cash on hand and at bank, deposit at call and deposits pledged to financial institutions which have an insignificant risk of changes in value, net of outstanding bank overdrafts.

(ii) Other non-current investment

Non-current investments other than investments in subsidiaries are stated at cost less impairment losses. On disposal of an investment, the difference between net disposal proceeds and its carrying amount is recognised in profit or loss.

Notes to the financial statements (cont'd)

2. Significant accounting policies (cont'd)

2.2 Summary of significant accounting policies (cont'd)

(e) Financial instruments (cont'd)

(iii) *Receivables*

Receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

(iv) *Payables*

Payables are stated at the fair value of the consideration to be paid in the future for goods and services received.

(v) *Interest-bearing borrowings*

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

(vi) *Equity instruments*

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

(f) Leases

(i) *Classification*

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. All leases that do not transfer substantially all the risks and rewards are classified as operating leases.

(ii) *Finance leases - the Group as lessee*

Assets acquired by way of hire purchase or finance lease are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the balance sheet as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Group's incremental borrowing rate is used. Any initial direct costs are also added to the carrying amount of such assets.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised in the profit or loss over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for leased assets is consistent with that for depreciable plant and equipment as described in Note 2.2(c).

Notes to the financial statements (cont'd)

2. Significant accounting policies (cont'd)

2.2 Summary of significant accounting policies (cont'd)

(f) Leases (cont'd)

(iii) Operating leases - the Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. 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.

(g) Borrowing costs

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

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(h) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is provided for, using the liability method. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised as income or an expense and included in the profit or loss for the period, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

(i) Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where 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 finance cost.

Notes to the financial statements (cont'd)

2. Significant accounting policies (cont'd)

2.2 Summary of significant accounting policies (cont'd)

(j) Employee benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss as incurred.

As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF").

(k) Foreign currencies

(i) 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.

(ii) Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation are recognised in profit or loss in the Company's separate financial statements or the individual financial statements of the foreign operation, as appropriate.

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.

Notes to the financial statements (cont'd)

2. Significant accounting policies (cont'd)

2.2 Summary of significant accounting policies (cont'd)

(k) Foreign currencies (cont'd)

(iii) Foreign operations

The results and financial positions of foreign operations that have a functional currency different from the presentation currency (RM) of the consolidated financial statements are translated into RM as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate prevailing at the balance sheet date;
- Income and expenses for each income statement are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and
- All resulting exchange differences are taken to the foreign currency translation reserve within equity.

(l) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be measured reliably. The following specific recognition criteria must also be met before revenue is recognised:

(i) 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.

(ii) Dividend income

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

2.3 Changes in accounting policies and effects arising from adoption of new and revised FRSs

On 1 November 2009, the Group and the Company adopted the following revised FRS:

FRS 8: Operating Segments

As this is a disclosure standard, there is no impact on the financial position or results of the Group.

2.4 Standards and Interpretations issued but not yet effective

At the date of authorisation of these financial statements, the following new FRSs and Interpretations, and amendments to certain Standards and Interpretations were issued but not yet effective and have not been applied by the Group and the Company, which are:

Notes to the financial statements (cont'd)

2. Significant accounting policies (cont'd)

2.4 Standards and Interpretations issued but not yet effective (cont'd)

Effective for financial periods beginning on or after 1 January 2010:

FRS 4: Insurance Contracts

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

Amendments to FRS 132: Financial Instruments: Presentation

Amendments to FRS 139: Financial Instruments: Recognition and Measurement,

FRS 7: Financial Instruments: Disclosures and IC Interpretation 9: Reassessment of Embedded Derivatives

Amendments to FRSs 'Improvements to FRSs (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 13: Customer Loyalty Programmes

IC Interpretation 14: FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding
Requirements and their Interaction

TR i – 3: Presentation of Financial Statements of Islamic Financial Institutions

Effective for financial periods beginning on or after 1 March 2010:

Amendments to FRS 132: Classification of Rights Issues

Effective for financial periods beginning on or after 1 July 2010:

FRS 1: First-time Adoption of Financial Reporting Standards

FRS 3: Business Combinations (revised)

FRS 127: Consolidated and Separate Financial Statements (amended)

Amendments to FRS 2: Share-based Payment

Amendments to FRS 5: Non-current Assets Held for Sale and Discontinued Operations

Amendments to FRS138: Intangible Assets

Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives

IC Interpretation 12: Service Concession Arrangements

IC Interpretation 16: Hedges of a Net Investment in a Foreign Operation

IC Interpretation 17: Distributions of Non-cash Assets to Owners.

Effective for financial periods beginning on or after 1 January 2011:

Amendments to FRS 1: Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters

Amendments to FRS 2: Group Cash-settled Share-based Payment Transactions

Amendments to FRS 7: Improving Disclosures about Financial Instruments

Amendments to FRSs 'Improvements to FRSs (2010)'

IC Interpretation 18: Transfers of Assets from Customers

Notes to the financial statements (cont'd)

2. Significant accounting policies (cont'd)

2.4 Standards and Interpretations issued but not yet effective (cont'd)

Effective for financial periods beginning on or after 1 July 2011:

IC Interpretation 14: Prepayments of a Minimum Funding Requirement

IC Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments

Effective for financial periods beginning on or after 1 January 2012:

FRS 124: Related Party Disclosures (revised)

IC Interpretation 15: Agreements for the Construction of Real Estate

The Group and the Company plan to adopt the above pronouncements when they become effective in the respective financial period. Unless otherwise described below, these pronouncements are expected to have no significant impact to the financial statements of the Group and the Company upon their initial application:

FRS 3: Business Combinations (revised) and FRS 127: Consolidated and Separate Financial Statements (amended)

FRS 3 (revised) introduces a number of changes to the accounting for business combinations occurring on or after 1 July 2010. These include changes that affect the valuation of non-controlling interest, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs and future reported results.

FRS 127 (amended) requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction with owners in their capacity as owners and to be recorded in equity. Therefore, such transaction will no longer give rise to goodwill, nor will it give rise to a gain or loss. Furthermore, the amended Standard changes the accounting for losses incurred by the subsidiary as well as loss of control of a subsidiary.

The changes by FRS 3 (revised) and FRS127 (amended) will be applied prospectively and only affect future acquisition or loss of control of subsidiaries and transactions with noncontrolling interests.

FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures and Amendments to FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures

The new Standard on FRS 139: Financial Instruments: Recognition and Measurement establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. Requirements for presenting information about financial instruments are in FRS 132: Financial Instruments: Presentation and the requirements for disclosing information about financial instruments are in FRS 7: Financial Instruments: Disclosures.

FRS 7: Financial Instruments: Disclosures is a new Standard that requires new disclosures in relation to financial instruments. The Standard is considered to result in increased disclosures, both quantitative and qualitative of the Group's and the Company's exposure to risks, enhanced disclosure regarding components of the Group's and the Company's financial position and performance, and possible changes to the way of presenting certain items in the financial statements.

Notes to the financial statements (cont'd)

2. Significant accounting policies (cont'd)

2.4 Standards and Interpretations issued but not yet effective (cont'd)

In accordance with the respective transitional provisions, the Group and the Company are exempted from disclosing the possible impact to the financial statements upon the initial application.

2.5 Significant accounting estimates and judgements

(a) Critical 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.

(b) Key sources of estimation uncertainty

The key assumption concerning the future and other key sources of estimation uncertainty at the balance sheet date, that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is discussed below.

(i) *Impairment on subordinated bonds*

In determining the extent of provision made for impairment on the investment in subordinated bonds as detailed in Note 14, in the absence of market value, the directors has enquired with the trustee of the bonds as well as making their own assessment of the possibility of further defaults by various borrowers on which the return of the bonds is premised upon. The directors are of the opinion that the entire subordinated bonds are no longer recoverable. Consequently, full provision has been made on the remaining balance of carrying amount of the subordinated bonds. Changes in repayment pattern by other various borrowers may result in possible write back of the impairment loss in the future.

(ii) *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 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.

Notes to the financial statements (cont'd)**3. Revenue**

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Dividend income	-	-	17,333,333	-
Landscaping	8,974,850	34,343,571	-	-
Maintenance	925,081	-	-	-
Environmental	167,652,604	59,693,613	167,652,604	58,393,613
	177,552,535	94,037,184	184,985,937	58,393,613

4. Cost of sales

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Landscaping	8,811,702	32,287,714	-	-
Maintenance	564,618	1,054,616	-	-
Environmental	118,553,139	40,693,432	138,256,301	49,184,537
	127,929,459	74,035,762	138,256,301	49,184,537

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

5. Finance costs

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Interest expense on:				
- bank overdrafts	4,688,424	1,327,776	4,246,385	425,427
- hire purchase	68,536	25,542	-	-
- term loan	2,828,568	2,859,819	-	-
- revolving credits	89,425	-	-	-
- letter of credits	57,147	63,622	39,997	-
- trust receipts	487,351	122,583	49,138	-
- bank charges	56,464	83,928	7,549	56,846
- bank facility fees	821,000	-	571,000	-
- bank guarantee commission	891,010	-	726,015	-
	9,987,925	4,483,270	5,640,084	482,273

Notes to the financial statements (cont'd)

6. Profit before tax

The following amounts have been included in arriving at profit before tax:

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Auditors' remuneration	251,593	70,000	110,263	10,000
Depreciation of plant and equipment (Note 11)	430,990	335,387	-	-
Impairment of plant and equipment	66,412	-	-	-
Plant and equipment written off	-	148,503	-	-
Impairment of subordinated bonds (Note 2.5(b)(i))	2,520,000	-	-	-
Allowance for doubtful debts	296,251	-	-	-
Unrealised foreign exchange (gain)/loss	(110,192)	222,806	-	-
Realised foreign exchange loss	263,881	-	-	-
Gain on disposal of plant and equipment	(80,800)	(11,609)	-	-
Gain on disposal of quoted shares	-	(2,264)	-	-
Rent for:				
- premises	351,506	94,778	105,058	14,740
- site equipment	107,683	120,985	90,483	6,456
- vehicles	983,752	283,648	844,914	81,183
- office equipment	24,245	8,988	8,326	-
Interest income:				
- finance institutions	(951,702)	(600,467)	(156,088)	-
Staff costs:				
- salary and wages	5,607,101	2,777,944	3,348,962	1,007,194
- defined contribution plans	560,726	181,773	349,762	48,798
- social security costs	44,940	15,584	36,524	4,816
- other staff related expenses	440,876	210,631	367,314	89,597

Notes to the financial statements (cont'd)**7. Directors' remuneration**

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

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Executive:				
Salaries and other allowances	1,369,500	672,000	678,000	168,000
Defined contribution plan	156,420	73,080	74,160	16,560
Social security costs	1,239	1,240	620	310
Total executive directors' remuneration	1,527,159	746,320	752,780	184,870
Non-executive:				
Fees	459,000	100,000	459,000	-
Total directors' remuneration	1,986,159	846,320	1,211,780	184,870

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	
	2010	2009
Executive directors:		
RM350,001 - RM400,000	-	2
RM750,001 - RM800,000	2	-
Non-executive directors:		
Below RM50,000	3	-
RM50,001 - RM100,000	-	1
RM400,001 - RM450,000	1	-

Notes to the financial statements (cont'd)

8. Income tax expense

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Malaysian income tax:				
- Current income tax	9,377,013	3,398,300	9,829,254	2,403,725
- Underprovision in prior year	43,834	-	52,242	-
	9,420,847	3,398,300	9,881,496	2,403,725
Deferred tax (Note 15):				
- Relating to origination and reversal of temporary differences	(15,357)	-	-	-
- Overprovision in prior year	(28,282)	-	-	-
	(43,639)	-	-	-
Total income tax expense	9,377,208	3,398,300	9,881,496	2,403,725

Domestic current income tax is calculated at the statutory tax rate of 25% (2009: 25%) of the estimated assessable profit for the year.

A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Profit before tax	29,665,850	12,835,711	36,192,298	8,184,182
Taxation at Malaysian statutory tax rate of 25% (2009: 25%)	7,416,463	3,208,928	9,048,075	2,046,046
Effect of income subject to tax rate of 20%	-	(1,953)	-	-
Effect of income exempted from tax in other countries	-	(561,237)	-	-
Expenses not deductible for tax purposes	1,945,193	752,562	781,179	357,679
Overprovision of deferred tax in prior year	(28,282)	-	-	-
Underprovision of tax expense in prior year	43,834	-	52,242	-
Income tax expense for the year	9,377,208	3,398,300	9,881,496	2,403,725

Notes to the financial statements (cont'd)

9. Earnings per share

Basic earnings per share amounts are calculated by dividing profit for the year attributable to the ordinary equity holders of the Company by the weighted average number of shares in issue during the financial year.

	2010	2009
Profit attributable to ordinary equity holders of the holding company (RM)	20,288,642	9,437,411
Weighted average number of ordinary shares in issue	117,054,795	115,000,000
Basic earnings per share for profit for the year (RM)	0.17	0.08

The weighted average number of shares in issue in 2009 has been adjusted for the bonus issue.

10. Dividends

At the forthcoming Annual General Meeting, a first and final tax exempt (single tier) dividend in respect of the financial year ended 31 October 2010 of 2.625 cents per share on 145,000,000 ordinary shares, amounting to a dividend payable of RM3,806,250 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 2011.

Notes to the financial statements (cont'd)

11. Plant and equipment

	Machinery, furniture and site equipment RM	Office equipment RM	Motor vehicles RM	Computer and peripherals RM	Total RM
GROUP					
Cost					
At 1 November 2008	1,705,999	33,335	1,837,058	1,254,610	4,831,002
Additions	9,300	-	-	39,577	48,877
Disposals	-	-	(162,541)	(23,067)	(185,608)
Write off	(178,203)	-	-	-	(178,203)
Exchange differences	3,086	-	-	485	3,571
At 31 October 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
Accumulated depreciation					
At 1 November 2008	1,410,887	32,901	1,286,236	1,144,210	3,874,234
Charge for the year (Note 6)	68,311	433	210,978	55,665	335,387
Disposals	-	-	(162,541)	(12,126)	(174,667)
Write off	(29,700)	-	-	-	(29,700)
Exchange differences	(131)	-	-	(102)	(233)
At 31 October 2009	1,449,367	33,334	1,334,673	1,187,647	4,005,021
Charge for the year (Note 6)	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
Net carrying amount					
At 31 October 2010	25,246	1	1,640,315	32,032	1,697,594
At 31 October 2009	90,815	1	339,844	83,958	514,618

Net carrying amounts of plant and equipment held under hire purchase arrangements amounted to RM1,640,316 (2009: RM338,295). Assets under hire purchase contracts are pledged as security for the related hire purchase liabilities.

Notes to the financial statements (cont'd)**12. Intangible asset**

Intangible asset related to goodwill arising from the reverse acquisition of 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% (2009: 12%). Gross margins are based on average values achieved in the preceding three-years.

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

13. Investment in subsidiaries

	Company	
	2010 RM	2009 RM
Unquoted shares at cost	40,000,000	40,000,000

Details of the subsidiaries are as follows:

Name of subsidiaries	Principal activities	Equity interest held (%)	
		2010	2009
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
Subsidiaries of Cypark Sdn. Bhd.:			
Artis Botanica Corporation Sdn. Bhd. *	Landscape maintenance services specialist for public parks, public amenities and other landscape developments.	100	100

Notes to the financial statements (cont'd)**13. Directors' remuneration** (cont'd)

Name of subsidiaries	Principal activities	Equity interest held (%)	
		2010	2009
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

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 the respective country.

*** Audited by firms other than Ernst & Young

Notes to the financial statements (cont'd)**14. Other investments**

	Group	
	2010	2009
	RM	RM
Subordinated bonds	4,000,000	4,000,000
Less: Accumulated impairment losses	(4,000,000)	(1,480,000)
	-	2,520,000
Corporate membership	170,000	170,000
	170,000	2,690,000

The Company subscribed to a RM4,000,000 Subordinated Bonds issued by Capone Berhad pursuant to the Primary Collateralised Loan Obligations Transaction in connection with the acceptance of an Unsecured Fixed Rate Term Loan Facility. The salient terms of the Unsecured Fixed Rate Term Loan Facility are detailed in Note 24. Details of the impairment made during the financial year are disclosed in Note 2.5(b)(i).

15. Deferred tax

	Group	
	2010	2009
	RM	RM
At beginning of year	(25,071)	(25,071)
Recognised in income statement (Note 8)	(43,639)	-
At end of year	(68,710)	(25,071)
Presented after appropriate offsetting as follows:		
Deferred tax assets	(75,099)	(34,116)
Deferred tax liabilities	6,389	9,045
	(68,710)	(25,071)

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

	Other payables	Plant and equipment	Total
	RM	RM	RM
At 1 November 2008/31 October 2009	(268,317)	243,246	(25,071)
Recognised in income statement	(25,383)	(18,256)	(43,639)
At 31 October 2010	(293,700)	224,990	(68,710)

Notes to the financial statements (cont'd)

16. Trade receivables

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Unbilled amount due from a customer on work performed	119,458,132	117,198,561	117,918,258	116,554,303
Trade receivables	42,645,106	39,836,103	16,578,810	-
Less: Allowance for doubtful debts	(296,251)	-	-	-
	161,806,987	157,034,664	134,497,068	116,554,303
Add: Retention sums	20,942,235	5,169,148	16,235,673	-
	182,749,222	162,203,812	150,732,741	116,554,303
Represented by:				
Current	181,510,666	162,203,812	150,732,741	116,554,303
Non-current	1,238,556	-	-	-
	182,749,222	162,203,812	150,732,741	116,554,303

The Group's and Company's normal trade credit term ranges from 60 to 90 (2009: 60 to 90) days. Other credit terms are assessed and approved on a case-by-case basis.

The Group has a significant concentration of credit risk in the form of outstanding balances from a single customer (2009: 4) representing approximately 82% (2009: 50%) of total trade receivables.

The amount due from a customer on work performed represent unbilled portion of work performed on the closure and restorations of landfills located throughout Peninsular Malaysia. Subsequent billings to and collection from the client amounted to RM23,179,838 and RM41,819,833 respectively.

As at 31 October 2010 and 31 October 2009, the ageing analysis of trade receivables (excluding the unbilled amount due from a customer for work performed) of the Group is as follows:

	Total RM	Impaired RM	Neither past due nor impaired		Past due but not impaired		>90 days RM
			< 30 days RM	31 - 60 days RM	61 - 90 days RM		
2010	63,587,341	296,251	1,020,662	161,622	2,026,446	60,082,360	
2009	45,005,251	-	6,132,818	108,333	182,947	38,581,153	

Included in trade receivables is an amount of RM23,996,901 (2009: RM29,496,745) due from a customer in relation to the Asian Games Village Project for which an advance of RM20,528,895 (2009: RM23,458,213) was received from DAGOC as detailed in Note 27.

Notes to the financial statements (cont'd)**17. Other receivables**

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Sundry receivables	3,758,585	7,477,000	2,282,020	15,668
Deposits	388,431	256,403	304,212	99,822
Prepayments	157,704	358,343	155,314	349,718
	4,304,720	8,091,746	2,741,546	465,208

In prior year, included in other receivables of the Group is an amount of RM5,145,333 due from a former subsidiary, Cypark Landscape Services Middle East Ltd. Co. ("CLME"). The amount has been recovered in full during the year.

18. Cash and cash equivalents

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Deposits with licensed banks	59,139,835	16,298,350	26,112,776	1,000,000
Cash in hand and at banks	2,119,210	878,198	1,122,168	98,623
Cash and bank balances	61,259,045	17,176,548	27,234,944	1,098,623

For the purposes of the cash flow statements, cash and cash equivalents comprise the following as at the balance sheet date:

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Cash and bank balances	61,259,045	17,176,548	27,234,944	1,098,623
Bank overdraft (Note 24)	(43,750,586)	(24,143,576)	(41,071,463)	(15,149,304)
Cash and cash equivalents	17,508,459	(6,967,028)	(13,836,519)	(14,050,681)

Deposits with licensed banks amounting to RM52,311,242 (2009: RM12,669,308) and RM19,284,183 (2009: RM1,000,000) of the Group and the Company respectively are pledged to banks for credit facilities granted to the Group and the Company. Included herein are deposits totalling RM14,453,471 (2009: RM3,629,042) 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 balance sheet date is 2.75% (2009: 3.1%) per annum. The maturity of deposits as at the end of the financial year ranges from 7 to 180 days (2009: 7 to 180) days.

Notes to the financial statements (cont'd)

19. Share capital and share premium

	Number of ordinary shares of RM 0.50 each		Amount	
	2010	2009	2010 RM	2009 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 2008/ 31 October 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 costs	-	-	(2,795,481)	(2,795,481)
At 31 October 2010	145,000,000	72,500,000	15,204,519	87,704,519

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 sixteen (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 declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

The share premium of RM18,000,000 arising from the issuance of ordinary shares and the share issue cost of RM2,795,481 have been included in the share premium account.

Notes to the financial statements (cont'd)

20. Foreign currency translation reserve

The foreign currency translation reserve is used to record 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.

21. Foreign statutory reserve

The foreign statutory reserve is created to comply with Qatar Commercial Companies Law. Under the said laws, 10% of the net profit for the year is 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.

22. 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.

23. 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 dividend 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 2010 and 2009, the Company does not have any Section 108 balance. The Company may distribute dividends out of its entire retained earnings as at 31 October 2010 and 2009 under the single tier system.

Notes to the financial statements (cont'd)

24. Borrowings

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Short term borrowings				
Secured:				
Bank overdrafts	43,750,586	24,143,576	41,071,463	15,149,304
Trust receipts	11,718,466	10,113,312	4,050,000	-
Bank acceptance	247,000	-	-	-
Hire purchase (Note 25)	304,894	117,715	-	-
Revolving credit	39,300,000	-	-	-
	95,320,946	34,374,603	45,121,463	15,149,304
Unsecured:				
Term loan	-	40,000,000	-	-
	95,320,946	74,374,603	45,121,463	15,149,304
Long term borrowings				
Secured:				
Hire purchase (Note 25)	1,442,959	361,800	-	-
Total borrowings				
Secured:				
Bank overdrafts (Note 18)	43,750,586	24,143,576	41,071,463	15,149,304
Trust receipts	11,718,466	10,113,312	4,050,000	-
Bank acceptance	247,000	-	-	-
Hire purchase (Note 25)	1,747,853	479,515	-	-
Revolving credit	39,300,000	-	-	-
	96,763,905	34,736,403	45,121,463	15,149,304
Unsecured:				
Term loan	-	40,000,000	-	-
	96,763,905	74,736,403	45,121,463	15,149,304

The weighted average effective interest rates during the financial year for these borrowings, excluding hire purchase payables, were as follows:

	Group		Company	
	2010 %	2009 %	2010 %	2009 %
Term loan	7.13	7.13	-	-
Bank overdrafts	7.43	7.45	7.18	7.20
Trust receipts	7.05	6.95	7.18	-
Bank acceptance	7.05	-	-	-
Revolving credit	6.11	-	-	-

Notes to the financial statements (cont'd)

24. Borrowings (cont'd)

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

The revolving credit has a tenure of 24 months but is repayable on demand.

In previous years, the Group entered into a Loan Facility Agreement with EON Bank Berhad ("EON Bank") and Capone Berhad ("Capone") in respect of the acceptance of an Unsecured Fixed Rate Term Loan Facility (the "Loan Facility") extended by EON Bank (the "Facility Agreement"). In accordance with the terms of the Facility Agreement, EON Bank sold all rights, titles and interests relating to the Loan Facility to Capone. Capone in turn issued asset-back securities, namely Senior, Mezzanine and Subordinated Bonds, pursuant to a Primary Collateralised Loan Obligations Transaction ("CLO").

The term loans were secured by negative pledge over all or any part of its business or assets, both present or future, any security interest save and except:

- (i) statutory lien and/or any Security Interest arising in the ordinary course of business or by operation of law; or
- (ii) any existing Security Interest which the Borrower has disclosed in writing pursuant to a Discloser Letter addressed and delivered to the Lender prior to or on the date of the execution of the Agreement; or
- (iii) any Security Interest which has been permitted with the consents of all persons to whom the Borrower has now or hereafter or from time to time provided a Negative Pledge; or
- (iv) any Security Interest which the Rating Agency has confirmed in writing that such Security Interest will not cause or result in a downgrade in the Corporate Credit rating of the Borrower and consequently the rating of the Bonds.

EON Bank disbursed RM40 million of the Loan Facility to the Group in prior year with a tenure of five (5) years and the Company subscribed for Subordinated Bonds amounting to RM4 million issued by Capone pursuant to the CLO.

The Group was required to maintain a certain level of rating accorded by the Malaysian Rating Corporation Berhad. In the event that the rating falls below the prescribed level, it would have trigger the prepayment clause stated in the Facility Agreement rendering the Loan Facility payable on demand.

The term loan was fully settled during the financial year.

Notes to the financial statements (cont'd)

25. Hire purchase and finance lease liabilities

	Group	
	2010	2009
	RM	RM
Future minimum lease payments:		
Not later than 1 year	395,871	137,076
Later than 1 year and not later than 2 years	358,600	137,075
Later than 2 years and not later than 5 years	929,511	225,264
Later than 5 years	365,101	27,684
Total future minimum lease payments	2,049,083	527,099
Less: Future finance charges	(301,230)	(47,584)
Present value of finance lease liabilities (Note 24)	1,747,853	479,515
Analysis of present value of finance lease liabilities:		
Not later than 1 year	304,894	117,715
Later than 1 year and not later than 2 years	317,539	123,702
Later than 2 years and not later than 5 years	812,425	210,761
Later than 5 years	312,995	27,337
	1,747,853	479,515
Less: Amount due within 12 months (Note 24)	(304,894)	(117,715)
Amount due after 12 months (Note 24)	1,442,959	361,800

The Group has finance leases and hire purchase contracts for various items of plant and equipment as disclosed in Note 11.

The hire purchase and lease liabilities bore effective interest rate of between 2.2% and 3.4% (2009: 3.5% and 6.5%) per annum during the financial year.

26. Trade payables

The normal trade credit terms granted to the Group and the Company range from 30 to 90 days (2009: 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.

Notes to the financial statements (cont'd)**27. Other payables**

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Advance from DAGOC	20,528,895	23,458,213	-	-
Advances from directors	839,179	7,989,342	839,179	7,989,342
Advance from a customer	6,104,341	-	6,104,340	-
Other payables	648,509	141,689	394,240	16,096
Accruals	2,316,965	2,002,136	485,303	77,904
	30,437,889	33,591,380	7,823,062	8,083,342

The advance from DAGOC relates to an advance from Doha Asian Games Organising Committee ("DAGOC") as interim funding for the Asian Game Project, which is secured against the post-dated cheque issued for the same amount and is 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.

Advances from directors and a customer are unsecured, non-interest bearing and have no fixed terms of repayment.

28. Due to a subsidiary

Amount due to a subsidiary is non-trade in nature, unsecured and has no fixed term of repayment.

29. Related party transactions

(a) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	2010 RM	2009 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*	21,430,792	22,230,563
Company		
Dividend receivable from a subsidiary	(17,333,333)	-
Operating and management fees payable to a subsidiary	720,000	1,040,000
Amount payable to a subsidiary for work performed on the landfill project	101,027,685	31,642,088
Amount payable to a related party for work performed on the landfill project*	21,430,792	22,230,563

Notes to the financial statements (cont'd)**29. Related party transactions (cont'd)**

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

During the year, the Company entered into an assignment arrangement whereby certain long outstanding trade debts of RM7,210,995 were assigned to certain directors.

The directors are of the opinion that all transactions above have been entered into in the normal course of business and have been established on terms and conditions that are mutually agreed between the companies.

(b) Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Short term employee benefits	2,464,680	1,182,567	1,417,980	168,000
Defined contribution plan	250,779	122,082	107,919	16,560
Other benefits	1,859	1,859	620	310
	2,717,318	1,306,508	1,526,519	184,870

Included in the total key management personnel are:

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Director's remuneration	1,986,159	846,320	1,211,780	184,870

30. Contingent liability

	Group	
	2010 RM	2009 RM
Unsecured:		
- Litigation claims	3,087,614	3,087,614

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

Notes to the financial statements (cont'd)**31. Operating lease commitments**

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Future minimum rentals payments:				
Not later than 1 year	393,944	126,000	200,520	89,230
Later than 1 year and not later than 5 years	41,490	115,500	41,490	4,500
	435,434	241,500	242,010	93,730

Operating lease payments represent rentals payable by the Group and by the Company for use of office premise. Leases are negotiated for an average term of 3 years and rentals are fixed for the terms negotiated.

32. Financial instruments**(a) Financial risk management objectives and policies**

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate risks (both fair value and cash flow), foreign currency risk, liquidity risk and credit risk. The Group operates within clearly defined guidelines that are approved by the Board. It is, and has been throughout the year under review, the Group's policy that no trading in derivative financial instruments shall be undertaken.

(b) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing financial assets, except for the interest bearing deposits with licensed banks, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest-bearing financial assets are mainly short term in nature and have been mostly placed in fixed deposits.

The Group's interest rate risk arises primarily from interest-bearing borrowings. Borrowings at floating rates expose the Group to cash flow interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk. The Group manages its interest rate exposure by maintaining a mix of fixed and floating rate borrowings.

Information on the weighted average effective interest rates as at balance sheet date and the remaining maturities of the Group's and the Company's financial instruments that are exposed to interest rate risk is disclosed in Note 18, 24 and 25.

(c) Foreign currency risk

The Group operates internationally and is exposed to Qatari Riyal.

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

Notes to the financial statements (cont'd)**32. Financial instruments** (cont'd)**(c) Foreign currency risk** (cont'd)

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 2010	
Ringgit Malaysia	126,715
At 31 October 2009	
Ringgit Malaysia	3,871,161

(d) Liquidity risk

The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position.

(e) Credit risk

The Group's credit risk is primarily attributable to trade receivables. The Group trades only with recognised and creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial assets other than as disclosed in Note 16.

(f) Fair values

It is not practicable to estimate the fair value of amounts due to a subsidiary due principally to a lack of fixed repayment terms entered into by the parties involved and without having to incur excessive costs.

The carrying amounts of other financial assets and liabilities of the Group and of the Company at the balance sheet date approximated their fair values due principally to the short term maturity of these financial assets and liabilities.

Notes to the financial statements (cont'd)**33. 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., Artis Botanica Corporation Sdn. Bhd and Cypark International 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.

	Malaysia RM	Middle East RM	Elimination RM	Total RM
2010				
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	40,187,962	(534,187)	-	39,653,775
Finance cost	(10,152,920)	164,995	-	(9,987,925)
Profit before tax				29,665,850
Income tax expense				(9,377,208)
Profit for the year attributable to equity holders of the Company				20,288,642
Assets				
Segment assets	317,851,367	24,080,998	(91,549,369)	250,382,996

Notes to the financial statements (cont'd)

33. Segment information (cont'd)

	Malaysia RM	Middle East RM	Elimination RM	Total RM
2010 (cont'd)				
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
2009				
Revenue				
Sales to external customers	94,037,184	-	-	94,037,184
Inter-segment sales	31,650,488	-	(31,650,488)	-
Total revenue	125,687,672	-	(31,650,488)	94,037,184
Results				
Segment results	18,558,168	(1,239,187)	-	17,318,981
Finance cost	(4,323,298)	(159,972)	-	(4,483,270)
Profit before tax				12,835,711
Income tax expense				(3,398,300)
Profit for the year attributable to equity holders of the Company				9,437,411
Assets				
Segment assets	279,983,528	32,194,415	(121,339,787)	190,838,156
Liabilities				
Segment liabilities	204,107,292	30,723,203	(81,005,104)	153,825,391
Other segment information				
Capital expenditure	48,877	-	-	48,877
Depreciation	270,657	64,730	-	335,387

Notes to the financial statements (cont'd)**33. Segment information (cont'd)**

The following items are added to/(deducted from) segment assets to arrive at total assets reported in the consolidated balance sheet:

	Group	
	2010	2009
	RM	RM
Deferred tax assets	75,099	34,116
Inter-segment assets	(91,624,468)	(121,373,903)
	(91,549,369)	(121,339,787)

The following items are added to/(deducted from) segment liabilities to arrive at total liabilities reported in the consolidated balance sheet:

	Group	
	2010	2009
	RM	RM
Deferred tax liabilities	6,389	9,045
Inter-segment assets	(51,289,782)	(81,014,149)
	(51,283,393)	(81,005,104)

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.

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

	Total revenue from external customers	Carrying amount of segment assets	Capital expenditure
	RM	RM	RM
2010			
Landscaping	8,974,850	249,187,213	1,687,626
Maintenance	925,081	-	-
Environmental	167,652,604	1,195,783	-
	177,552,535	250,382,996	1,687,626

Notes to the financial statements (cont'd)**33. Segment information (cont'd)****Business segments (cont'd)**

	Total revenue from external customers RM	Carrying amount of segment assets RM	Capital expenditure RM
2009			
Landscaping	33,170,503	190,811,636	48,502
Maintenance	1,173,068	-	-
Environmental	59,693,613	26,520	375
	94,037,184	190,838,156	48,877

Carrying amount of segment assets information presented above consists of deferred tax assets of RM75,099 (2009 : RM34,116) as presented in the consolidated balance sheet.

Information about a major customer

Revenue from one major customer amount to RM167,652,604 (2009: RM58,393,613), arising from sales by the environmental segment in Malaysia.

34. Other significant events**(a) Listing on the Main Market of the Bursa Malaysia Securities Berhad****(i) Issuance of share during the year**

During the year, the Company issued 30,000,000 ordinary shares of RM0.50 each at an issue price of RM1.10 per share payable in full on application through Public Issue, for additional working capital purposes. The Public Issue was allocated as follows:

- 7,250,000 ordinary shares of RM0.50 each for application by Malaysia citizens, companies, societies, co-operatives and institution to be allotted by way of balloting;
- 3,000,000 ordinary shares of RM0.50 each for application by the eligible directors, employees, business associated; and
- 19,750,000 new ordinary shares of RM0.50 each by way of private placement to identified investors.

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

(ii) Bonus issue

During the year, the Company issued a bonus issue of 34,999,996 new ordinary shares of RM0.50 each to the existing shareholders on the basis of approximately seven (7) bonus shares for every sixteen (16) existing shares held in the Company prior to the Public Issue. The new ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.

All ordinary shares of the Company were listed on the Main Board of Bursa Malaysia Securities Berhad on 15 October 2010.

Notes to the financial statements (cont'd)

34. Other significant events (cont'd)

(b) Employees' Share Options Scheme

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 existence of the ESOS and out of which not more than 50% of the shares shall be allocated, in aggregate, to executive directors and senior management. In addition, not more than 10% of the shares available under the ESOS shall be allocated to any individual director or employee who, either singly or collectively through person(s) connected with him/her, holds 20% or more in the issued and paid-up capital of the Company.
- (iv) Eligible persons are employees and executive directors in full time employment (including contract employees) and payroll of at least one (1) company within the Group and have attained the age of eighteen (18) years.
- (v) The criterion of allotment of new shares is by reference to the category of the eligible persons in consideration with due regard to the performance in the Group and seniority of the eligible persons.
- (vi) The price at which the grantee is entitled to subscribe for each ordinary share under the ESOS shall be:
 - (a) in respect of any offer which is made in conjunction with the listing of the Company on the Main Market of Bursa Malaysia Securities Berhad, the initial public offer price to Malaysian public; or
 - (b) in respect of any offer which is made subsequent to the listing of the Company on the Main Market of Bursa Malaysia Securities Berhad, set at a discount of not more than ten per centum (10%) of the 5-day weighted average market price of the ordinary shares of the Company for the five (5) market days immediately preceding the date of the offer, or the par value of such share of the Company, whichever is higher.
- (vii) In respect of offers which have been made, 50% of the options shall become exercisable after the period of six (6) months from the date of the offer, and the remaining balance of the accepted ESOS shall become exercisable after one (1) year from the date of the respective offer. The employees' entitlements to the options are vested as soon as they become exercisable.

Notes to the financial statements (cont'd)**34. Other significant events (cont'd)****(b) Employees' Share Options Scheme (cont'd)**

- (viii) All new ordinary shares issue 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.

As at balance sheet date, none of the options were taken up by the directors and employees of the Group.

35. 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 2010 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 2010 RM	Company 2010 RM
Total retained profits of the Company and its subsidiaries		
- Realised	36,093,083	14,139,089
- Unrealised	178,902	-
	36,271,985	14,139,089
Less: Consolidation adjustments	127,316	-
Retained profits as per financial statements	36,399,301	14,139,089

Analysis of Shareholdings

as at 02/03/2011

Statistics Of Shareholdings As At 2 March 2011

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 vote per ordinary share

Size of Shareholdings	No. of Shareholders	%	No. of Shares Held	%
1 - 99	3	0.30	100	0.00
100 - 1,000	151	14.92	126,700	0.09
1,001 - 10,000	526	51.98	2,661,000	1.84
10,001 - 100,000	241	23.81	9,299,200	6.41
100,001 - 7,249,999 (*)	86	8.50	50,913,000	35.11
7,250,000 and above (**)	5	0.49	82,000,000	56.55
Total	1,012	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 2 March 2011 are as follows:-

	Direct Interest No. of Shares Held	%	Indirect Interest No. of Shares Held	%
Tan Sri Razali Bin Ismail	46,875,600	32.32	-	-
Daud Bin Ahmad	12,719,400	8.77	-	-
Siow Kwang Khee	14,470,000	9.98	-	-
Tan Swee Loon	8,085,000	5.58	-	-

Directors' Shareholdings

The Directors' Shareholdings based on the Register of Directors' Shareholdings of the Company as at 2 March 2011 are as follows:-

	Direct Interest No. of Shares Held	%	Indirect Interest No. of Shares Held	%
Daud Bin Ahmad	12,719,400	8.77	-	-
Dato' Dr. Freezailah Bin Che Yeom	100,000	0.07	-	-
Hasan Bin Hj Hamzah	-	-	-	-
Headir Bin Mahfidz	25,000	0.02	-	-
Tan Sri Razali Bin Ismail	46,875,600	32.32	-	-
Siow Kwang Khee	14,470,000	9.98	-	-

Analysis of Shareholdings (cont'd)

Category Holders as at 02/03/2011

Category	No. Of Holders				No. Of Holdings				%	
	Malaysian Non-Bumiputra		Foreign		Malaysian Non-Bumiputra		Foreign		Bumiputra	Malaysian Non-Bumiputra
	Bumiputra	Non-Bumiputra	Bumiputra	Foreign	Bumiputra	Non-Bumiputra	Bumiputra	Foreign	Bumiputra	Non-Bumiputra
1 Individual	151	570	2	29,631,220	32,152,800	3,000	20.44	22.17	0.00	0.00
2 Body Corporate										
A) Banks/Finance Companies	2	3	0	4,799,900	141,400	0	3.31	0.10	0.00	0.00
B) Investment Trusts/Foundation/Charities	0	0	0	0	0	0	0.00	0.00	0.00	0.00
C) Industrial And Commercial Companies	7	1	0	751,800	5,000	0	0.52	0.00	0.00	0.00
3) Government Agencies/Institutions	3	0	0	3,902,000	0	0	2.69	0.00	0.00	0.00
4) Nominees	119	135	19	43,623,280	28,431,700	1,557,900	30.09	19.61	1.07	0.00
5) Others	0	0	0	0	0	0	0.00	0.00	0.00	0.00
Total	282	709	21	82,708,200	60,730,900	1,560,900	57.04	41.88	1.08	0.00
Grand Total	1,012		145,000,000		100.00					

Analysis of Shareholdings (cont'd)

The 30 Largest Securities Account Holders as at 02/03/2011

No.	Shareholders	No. of Share	%
1.	Pledged Securities Account for Nominees (Tempatan) Sdn. Bhd. Razali Bin Ismail	32,854,680	22.66
2.	Siow Kwang Khee	14,470,000	9.98
3.	Razali Bin Ismail	14,020,920	9.67
4.	Daud Bin Ahmad	12,719,400	8.77
5.	Tan Swee Loon	7,935,000	5.47
6.	AIBB Nominees (Tempatan) Sdn Bhd Chua Ma Yu	6,300,000	4.34
7.	Amanahraya Trustees Berhad Public Smallcap Fund	4,281,200	2.95
8.	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad	4,234,200	2.92
9.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For OSK-UOB Small Cap Opportunity Unit Trust	2,183,200	1.51
10.	UOBM Nominees (Tempatan) Sdn Bhd UOB-OSK Asset Management Sdn Bhd For UNI.ASIA Life Assurance Berhad (Par Fund)	1,670,600	1.15
11.	Mayban Nominees (Tempatan) Sdn Bhd Mayban Trustees Berhad For Public Balanced Fund	1,660,000	1.14
12.	Kumpulan Wang Simpanan Guru-Guru	1,652,000	1.14
13.	Mayban Nominees (Tempatan) Sdn Bhd Malaysian Trustees Berhad For AMB Smallcap Trust Fund	1,621,600	1.12
14.	Mayban Nominees (Tempatan) Sdn Bhd Mayban Trustees Berhad For MAAKL Value Fund	1,611,700	1.11
15.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For OSK-UOB Growth And Income Focus Trust	1,600,200	1.10
16.	Kumpulan Wang Simpanan Guru-Guru	1,500,000	1.03
17.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For MAAKL Progress Fund	1,091,000	0.75
18.	HLG Nominee (Tempatan) Sdn Bhd Hong Leong Asset Management Bhd For Credit Guarantee Corporation Malaysia Berhad	950,000	0.66
19.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For OSK-UOB Emerging Opportunity Unit Trust	800,000	0.55
20.	Kumpulan Wang Simpanan Guru-Guru	750,000	0.52

Analysis of Shareholdings (cont'd)

The 30 Largest Securities Account Holders as at 02/03/2011 (cont'd)

No.	Shareholders	No. of Share	%
21.	Koh Boon Hock	629,000	0.43
22.	Koh Boon Chang	628,800	0.43
23.	Nominees (Tempatan) Sdn. Bhd Pledged Securities Account For Gan Eng Liong	565,000	0.39
24.	Nominees (Tempatan) Sdn. Bhd Pledged Securities Account For Chye Ao Hsiang	549,000	0.38
25.	A.A. Anthony Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Ooi Kim San	535,000	0.37
26.	UOBM Nominees (Tempatan) Sdn Bhd UOB-OSK Asset Management Sdn Bhd For UNI.ASIA Life Assurance Berhad (Non Par Fund)	523,400	0.36
27.	Amanahraya Trustees Berhad PB China Asean Equity Fund	518,700	0.36
28.	UOBM Nominees (Tempatan) Sdn Bhd UOB-OSK Asset Management Sdn Bhd For Uni Aggressive Fund	511,600	0.35
29.	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) Trustee Bhd For Areca Equitytrust Fund (5907-401)	510,200	0.35
30.	Jamal Bin Mohd Aris	500,000	0.34
	Total	119,376,400	82.33

Analysis of Shareholdings (cont'd)

Analysis of Equity Structure as at 02/03/2011

	No. of Holders	%	No. of Holdings	%
Held By Malaysian				
Corporate Body - Nominee Company				
Bumiputra Nominee Companies	119	11.76	43,623,280	30.09
Non-Bumiputra Nominee Companies	135	13.34	28,431,700	19.61
Subtotal :	254	25.10	72,054,980	49.70
Corporate Body - Company				
Bumiputra Companies	9	0.89	5,551,700	3.83
Non-Bumiputra Companies	4	0.40	146,400	0.10
Subtotal :	13	1.29	5,698,100	3.93
Corporate Body - Government Body				
Bumiputra Government Agencies	3	0.30	3,902,000	2.69
Non-Bumiputra Government Agencies	0	0.00	0	0.00
Subtotal :	3	0.30	3,902,000	2.69
Individuals				
Bumiputra	151	14.92	29,631,220	20.44
Chinese	548	54.15	32,052,800	22.11
Indian	17	1.68	71,000	0.05
Others	5	0.49	29,000	0.02
Subtotal :	721	71.24	61,784,020	42.62
Trustee				
Trustee	0	0.00	0	0.00
Subtotal :	0	0.00	0	0.00
Malaysian Total :	991	97.93	143,439,100	98.94

Analysis of Shareholdings (cont'd)

Analysis of Equity Structure as at 02/03/2011 (cont'd)

	No. of Holders	%	No. of Holdings	%
Held By Foreigners				
Australia				
Corporate Body - Nominee Company	0	0.00	0	0.00
Corporate Body - Companies	0	0.00	0	0.00
Government Agencies	0	0.00	0	0.00
Individuals	1	0.10	2,000	0.00
Trustee	0	0.00	0	0.00
Australia Total :	1	0.10	2,000	0.00
Singapore				
Corporate Body - Nominee Company	0	0.00	0	0.00
Corporate Body - Companies	0	0.00	0	0.00
Government Agencies	0	0.00	0	0.00
Individuals	1	0.10	1,000	0.00
Trustee	0	0.00	0	0.00
Singapore Total :	1	0.10	1,000	0.00
Other Countries				
Corporate Body - Nominee Company	19	1.88	1,557,900	1.07
Corporate Body - Companies	0	0.00	0	0.00
Government Agencies	0	0.00	0	0.00
Individuals	0	0.00	0	0.00
Trustee	0	0.00	0	0.00
Others Country Total :	19	1.88	1,557,900	1.07
Foreigner Total :	21	2.08	1,560,900	1.07
Grand Total :	1,012	100.00	145,000,000	100.00

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Sixth Annual General Meeting (“6th AGM”) of the Company will be held at the Conference Room, Level 3, Eastin Hotel, 13, Jalan 16/11, Pusat Dagang Seksyen 16, 46350, Petaling Jaya, Selangor Darul Ehsan on Wednesday, 27 April 2011 at 10:00 a.m. for the following purposes:-

1. To receive the Audited Financial Statements for the financial year ended 31 October 2010 together with the Reports of the Directors and the Auditors thereon. (Please refer to Explanatory Note 7 (i))
2. To sanction the declaration of a first and final single tier tax-exempt dividend of 5.25% **(Resolution 1)**
3. To approve the payment of Directors’ fees for the financial year ended 31 October 2010. **(Resolution 2)**
4. To re-elect Mr. Siow Kwang Khee, who is retiring in accordance with Article 84 of the Company’s Articles of Association and being eligible, has offered himself for re-election. **(Resolution 3)**
5. To re-elect the following Directors, who are retiring in accordance with Article 91 of the Company’s Articles of Association and being eligible, have offered themselves for re-election:-
 - (a) En. Hasan Bin Hj Hamzah; and **(Resolution 4)**
 - (b) En. Headir Bin Mahfidz. **(Resolution 5)**
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 6)**
 - (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 7)**
7. To re-appoint Messrs. Ernst & Young as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. **(Resolution 8)**

As Special Business

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

Notice of Annual General Meeting (cont'd)

8. **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.”

(Resolution 9)

9. **PROPOSED RATIFICATION AND PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

“**THAT** subject to the provisions of the Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the Proposed Ratification and Proposed Shareholders' Mandate for the Company and/or its subsidiary companies 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 Sections 1.5 and 1.6 of the Circular to Shareholders dated 5 April 2011 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 Ratification and 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”)

Notice of Annual General Meeting (cont'd)

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."

(Resolution 10)

10. PROPOSED AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES ("PROPOSED AUTHORITY")

"THAT, subject always to the Companies Act, 1965, the provisions of the Memorandum and Articles of Association of the Company, the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and all other applicable laws, guidelines, rules and regulations, if applicable, the Company be and is hereby authorised 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 Securities as the Directors may deem fit and expedient in the interest of the Company, provided that:

- (i) the aggregate number of shares purchased does not exceed 10% of the total issued and paid-up share capital of the Company as quoted on Bursa Securities as at the point of purchase;
- (ii) an amount not exceeding the Company's audited retained profit of RM36.4 million and/or the share premium account of RM15.2 million for the financial year ended 31 October 2010 at the time of the purchase(s) will be allocated by the Company for the purchase of own shares; and
- (iii) the Directors of the Company may decide either to retain the shares purchased as treasury shares or cancel the shares or retain part of the shares so purchased as treasury shares and cancel the remainder or to resell the shares or distribute the shares as dividends;

THAT the authority conferred by this resolution shall commence immediately and shall continue to be in force until the conclusion of the next Annual General Meeting of the Company following the passing of this Ordinary Resolution, unless earlier revoked or varied by an Ordinary Resolution of the shareholders of the Company in a general meeting;

AND THAT authority be and is hereby given to the Directors of the Company to act and take all such steps and do all things as are necessary or expedient to implement, finalise and give full effect to the aforesaid purchase."

(Resolution 11)

Notice of Annual General Meeting (cont'd)

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

By Order of the Board

LOW KUAN WEI (MAICSA 7025389)
CHUA SIEW CHUAN (MAICSA 0777689)
MAK CHOOI PENG (MAICSA 7017931)
Company Secretaries

Kuala Lumpur
Dated : 5 April 2011

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

Notice is hereby given that the first and final single tier tax-exempt dividend of 5.25% for the year ended 31 October 2010, if approved by the shareholders at the Sixth Annual General Meeting, will be payable on 15 June 2011 to shareholders whose names appear in the Record of Depositors on 16 May 2011.

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 2011 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

LOW KUAN WEI (MAICSA 7025389)
CHUA SIEW CHUAN (MAICSA 0777689)
MAK CHOOI PENG (MAICSA 7017931)
Company Secretaries

Kuala Lumpur
Dated : 5 April 2011

NOTES:

1. In respect of deposited securities, only members whose names appear in the Record Of Depositors on 20 April 2011 ("General Meeting Record Of Depositors") shall be eligible to attend the Meeting.
2. A member entitled to attend and vote at this meeting is entitled to appoint a proxy/proxies to attend and vote instead of him. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

Notice of Annual General Meeting (cont'd)

3. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holding(s) to be represented by each proxy.
4. Where a member is an authorised nominee as defined under the Central Depositories Act, 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.
5. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or if the appointor is a corporation, either under seal or in some other manner approved by its Board of Directors.
6. The instrument appointing a proxy must 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. Explanatory Note:

(i) Item 1 of the Agenda

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 on Special Business:

(i) Resolution 9 – Authority to Issue Shares

The above Resolution 9, if passed, will empower the Directors of the Company 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 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.

The Company did not table any proposal for authority to issue shares pursuant to Section 132D of the Companies Act, 1965 at the Fifth Annual General Meeting of the Company held on 30 April 2010.

(ii) Resolution 10 – Proposed Ratification and Proposed Shareholders’ Mandate

The proposed Resolution 10 is intended to confirm and ratify the recurrent related party transactions of a revenue or trading nature which were entered into from the last Annual General Meeting of the Company held on 30 April 2010 up to the date of this meeting.

It is also intended to seek for new shareholders’ mandate to enter into recurrent related party transactions to facilitate transactions in the normal course of business of the Company which are transacted from time to time with the specified classes of related parties, provided that they are carried out on an arm’s 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 to Shareholders dated 5 April 2011 for further information.

(iii) Resolution 11 – Proposed Authority

The proposed Resolution 11, if passed, will allow the Company to purchase its own shares up to 10% of the total issued and paid-up capital of the Company by utilising the funds allocated which shall not exceed the retained profit and/or share premium account of the Company.

Please refer to the Circular to Shareholders dated 5 April 2011 for further information.

FORM OF PROXY

CDS Account No. _____

Number of ordinary shares. _____

I/We _____ NRIC No./Passport No./Company No. _____

of _____

being a member/members of Cypark Resources Berhad hereby appoint :-

Full Name (in Block)	NRIC/ Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

*and/or *delete if not applicable

Full Name (in Block)	NRIC/ Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

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 Sixth Annual General Meeting of the Company to be held at the Conference Room, Level 3, Eastin Hotel, 13, Jalan 16/11, Pusat Dagang Seksyen 16, 46350, Petaling Jaya, Selangor Darul Ehsan on Wednesday, 27 April 2011 at 10:00 a.m. and at any adjournment thereof.

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 2010 together with the Reports of the Directors and the Auditors thereon.			
2.	To sanction the declaration of a first and final single tier tax-exempt dividend of 5.25%.	1		
3.	To approve the payment of Directors' fees for the financial year ended 31 October 2010.	2		
4.	To re-elect Mr. Siow Kwang Khee, who is retiring in accordance with Article 84 of the Company's Articles of Association and being eligible, has offered himself for re-election.	3		
5.	To re-elect En. Hasan Bin Hj Hamzah who is retiring in accordance with Article 91 of the Company's Articles of Association and being eligible, has offered himself for re-election.	4		
6.	To re-elect En. Headir Bin Mahfidz who is retiring in accordance with Article 91 of the Company's Articles of Association and being eligible, has offered himself for re-election.	5		
7.	To re-appoint Tan Sri Razali Bin Ismail who is due to retire pursuant to Section 129 of the Companies Act, 1965 and being eligible, has offered himself for re-election.	6		
8.	To re-appoint Dato' Dr. Freezailah Bin Che Yeom who is due to retire pursuant to Section 129 of the Companies Act, 1965 and being eligible, has offered himself for re-election.	7		
9.	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.	8		
Special Business				
10.	Authority To Issue Shares Pursuant To Section 132D Of The Companies Act, 1965.	9		
11.	Proposed Ratification and Proposed Shareholders' Mandate For Recurrent Related Party Transactions Of A Revenue Or Trading Nature.	10		
12.	Proposed Authority for the Company to Purchase Its Own Shares.	11		

Please indicate with an "X" in the appropriate space how you wish your proxy to vote. If you do not indicate how you wish your proxy to vote on any resolution, the proxy shall vote as he thinks fit or, at his discretion, abstain from voting.

As witness my/our hand(s) this day _____ of _____ 2011.

*Signature/Common Seal of Shareholder
* Delete if not applicable

NOTES:

- In respect of deposited securities, only members whose names appear in the Record Of Depositors on 20 April 2011 ("General Meeting Record Of Depositors") shall be eligible to attend the Meeting.
- A member entitled to attend and vote at this meeting is entitled to appoint a proxy/proxies to attend and vote instead of him. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
- Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holding(s) to be represented by each proxy.
- Where a member is an authorised nominee as defined under the Central Depositories Act, 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.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or if the appointor is a corporation, either under seal or in some other manner approved by its Board of Directors.
- The instrument appointing a proxy must be deposited at the registered office of the Company at Level 7, Menara Milenium, Jalan Damaniela, 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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