

CEPATWAWASAN GROUP BERHAD
(Company No. 536499-K)

Condensed Consolidated Income Statement for the period ended 30 June 2008

	Second quarter		Cumulative quarter	
	3 months ended 30.06.2008	3 months ended 30.06.2007	6 months ended 30.06.2008	6 months ended 30.06.2007
	RM'000	RM'000	RM'000	RM'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	72,123	48,466	132,421	83,411
Cost of sales	(54,099)	(34,994)	(99,171)	(61,770)
Gross profit	18,024	13,472	33,250	21,641
Other income	281	126	5,993	200
Administrative expenses	(1,093)	(682)	(2,178)	(2,112)
Selling and marketing expenses	(807)	(771)	(1,461)	(1,694)
Finance costs	(359)	(327)	(689)	(652)
Profit before tax	16,046	11,818	34,915	17,383
Income tax expense	(3,086)	(2,634)	(6,635)	(4,198)
Profit for the period	12,960	9,184	28,280	13,185
Attributable to:				
Equity holders of the parent	12,284	8,896	27,026	12,897
Minority interests	676	288	1,254	288
	12,960	9,184	28,280	13,185
Earnings per share attributable to equity holders of the parent:				
Basic, for profit for the period (sen)	5.70	4.13	12.54	5.99

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the period ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial report.

CEPATWAWASAN GROUP BERHAD
(Company No. 536499-K)

Condensed Consolidated Balance Sheet as at 30 June 2008

	As at end of period ended 30.06.2008 RM'000 (Unaudited)	As at preceding period ended 31.12.2007 RM'000 (Audited)
ASSETS		
Non-current Assets		
Property, plant and equipment	59,093	59,053
Investment properties	12,627	-
Prepaid land lease payments	65,856	70,396
Biological assets	147,195	147,316
Intangible assets	93,266	93,266
Deferred tax assets	631	533
	<u>378,668</u>	<u>370,564</u>
Current assets		
Inventories	24,444	13,124
Trade and other receivables	17,198	13,911
Tax refundable	676	582
Deposits with licensed banks	2,449	33,402
Cash and bank balances	21,456	8,656
	<u>66,223</u>	<u>69,675</u>
TOTAL ASSETS	<u>444,891</u>	<u>440,239</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	215,457	215,457
Retained profits	107,698	83,861
	<u>323,155</u>	<u>299,318</u>
Minority interests	15,131	13,877
Total equity	<u>338,286</u>	<u>313,195</u>
Non-current liabilities		
Lease rental payable	267	267
Borrowings	31,639	30,265
Deferred tax liabilities	45,783	46,099
	<u>77,689</u>	<u>76,631</u>
Current liabilities		
Borrowings	1,951	22,543
Trade and other payables	23,478	23,054
Provision for taxation	3,487	4,816
	<u>28,916</u>	<u>50,413</u>
Total liabilities	<u>106,605</u>	<u>127,044</u>
TOTAL EQUITY AND LIABILITIES	<u>444,891</u>	<u>440,239</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.50	1.39

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the period ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial report.

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Condensed Consolidated Cash Flow Statement for the period ended 30 June 2008

	6 months ended 30.06.2008 RM'000 (Unaudited)	6 months ended 30.06.2007 RM'000 (Unaudited)
Net cash generated from operating activities	9,700	13,822
Net cash used in investing activities	(4,285)	(18,390)
Net cash (used in)/generated from financing activities	(23,568)	3,082
Net decrease in cash and cash equivalents	<u>(18,153)</u>	<u>(1,486)</u>
Cash and cash equivalents at beginning of financial period	42,058	11,913
Cash and cash equivalents at end of financial period	<u>23,905</u>	<u>10,427</u>

Cash and cash equivalents at the end of the financial period comprise the following:

	As at 30.06.2008 RM'000	As at 30.06.2007 RM'000
Deposits placed with licensed banks	2,449	11,696
Cash and bank balances	21,456	3,720
Bank overdraft	-	(4,989)
	<u>23,905</u>	<u>10,427</u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the period ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial report.

CEPATWAWASAN GROUP BERHAD
(Company No. 536499-K)

Condensed Consolidated Statement of Changes in Equity for the period ended 30 June 2008

	Attributable to Equity Holders of the parent			Minority Interests	Total Equity
	Distributable				
	Share Capital	Retained Profits	Total		
RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 January 2007	215,457	39,019	254,476	-	254,476
Acquisition of subsidiaries	-	-	-	12,585	12,585
Profit for the period	-	12,897	12,897	288	13,185
At 30 June 2007	215,457	51,916	267,373	12,873	280,246
At 1 January 2008	215,457	83,861	299,318	13,877	313,195
Profit for the period	-	27,026	27,026	1,254	28,280
Dividend	-	(3,189)	(3,189)	-	(3,189)
At 30 June 2008	215,457	107,698	323,155	15,131	338,286

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the period ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial report.

CEPATWAWASAN GROUP BERHAD
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Notes to the Interim Financial Report

1. Basis of preparation

The interim financial report has been prepared in accordance with the requirements of FRS 134 "Interim Financial Reporting" and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad and it should be read in conjunction with the audited financial statements for the period ended 31 December 2007.

The accounting policies used in the preparation of interim financial report are consistent with those previously adopted in the audited financial statements of the Group for the period ended 31 December 2007. These explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial period ended 31 December 2007.

2. Changes in accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the period ended 31 December 2007.

In the current period, the Group has adopted the following applicable revised Financial Reporting Standards ("FRS") effective for financial period beginning 1 July 2007:

- FRS 107 Cash Flow Statements
- FRS 111 Construction Contracts
- FRS 112 Income Taxes
- FRS 118 Revenue
- FRS 120 Accounting for Government Grants and Disclosure of Government Assistance
- FRS 121 The Effect of Changes in Foreign Exchange Rates
- FRS 134 Interim Financial Reporting
- FRS 137 Provisions, Contingent Liabilities and Contingent Assets

The adoption of the above FRSs does not have significant impact on the financial statements of the Group.

3. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the period ended 31 December 2007 was not qualified.

9. Carrying amount of revalued assets

The valuations of property, plant and equipment have been brought forward without amendment from the audited financial statements for the period ended 31 December 2007.

10. Debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities.

11. Changes in composition of the Group

There were no changes in the composition of the Group during the current interim period.

12. Capital commitments

The amount of capital commitments not provided for in the unaudit interim financial report as at 30 June 2008 is as follows:

	RM'000
Approved and contracted for	8,703
Approved but not contracted for	<u>6,866</u>
	<u>15,569</u>

13. Changes in contingent liabilities and contingent assets

There were no changes in other contingent liabilities or contingent assets since the last annual balance sheet as at 31 December 2007.

14. Subsequent events

There were no material events subsequent to the end of the current quarter.

CEPATWAWASAN GROUP BERHAD
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Information required by BMSB Listing Requirements

1. Review of performance

For this second quarter under review, the Group recorded revenue of RM72.1 million, a significant increase of RM23.6 million as compared to the preceding year's corresponding quarter mainly due to higher CPO and PK prices despite a decrease in CPO sales volume by 3.7%.

The Group reported a profit before tax of RM16.0 million for the second quarter ended 30 June 2008, an increase of 35.8% from the preceding year's corresponding quarter mainly due to higher CPO and PK prices and increase in FFB production. The increase in FFB production was partly contributed by the newly acquired subsidiaries in the last financial period.

2. Comment on material change in profit before tax against immediate preceding quarter

Profit before tax in the current quarter is lower at RM16.0 million as compared to RM18.9 million in the immediate preceding quarter due to a gain of RM5.4 million arising from the disposal of land in a subsidiary in the immediate preceding quarter.

3. Commentary on prospects

Despite the fall in CPO price to around RM3,000 per metric tonne, the Board is confident that the Group would still remain profitable at the current prevailing prices of CPO and PK which are still favourable.

4. Profit forecast or profit guarantee

Not applicable as there was no profit forecast or guarantee published.

5. Income tax expense

	Current quarter		Cumulative quarter	
	3 months ended	3 months ended	6 months ended	6 months ended
	30.06.2008	30.06.2007	30.06.2008	30.06.2007
	RM'000	RM'000	RM'000	RM'000
Current tax	4,873	3,109	8,094	4,723
Deferred tax	(1,787)	(475)	(1,459)	(525)
Total income tax expense	<u>3,086</u>	<u>2,634</u>	<u>6,635</u>	<u>4,198</u>

The effective tax rate for the current quarter was in line with the statutory tax rate as reported. Income tax is calculated at statutory tax rate of 26% (30 June 2007 : 26%) on the estimated assessable profit for the period.

6. Sale of unquoted investments and properties

There were no sales of unquoted investments and properties during the reporting quarter.

7. Quoted securities

There were no purchases and disposals of quoted securities for the current quarter under review.

8. Corporate proposals

On 5 March 2008, Minelink Sdn Bhd ("MSB"), a wholly-owned subsidiary of Libarran Island Resort Sdn. Bhd., which in turn is a wholly-owned subsidiary of the Group entered into two Sale and Purchase Agreements with the following vendors:

- (a) to acquire from KL Khoo Dan Gabongan Sdn Bhd, a piece of land held under HS(D) 32304, No. PT 809, Mukim Kuala Lumpur, Daerah Wilayah Persekutuan, Negeri Wilayah Persekutuan, measuring 19,110 square feet in area at RM6,115,200; and
- (b) to acquire from Khoo Kim Hoey @ Khoo Poh Kiew, a piece of land held under HS(D) 32305, No. PT 810, Mukim Kuala Lumpur, Daerah Wilayah Persekutuan, Negeri Wilayah Persekutuan, measuring 19,109 square feet in area at RM6,114,880.

The said acquisition was completed on 5 June 2008.

On 9 June 2008, MSB had entered into a Sale and Purchase Agreement with Premnath a/l R S Maniam for the acquisition of a piece of land held under HS(D) 32033, No. PT 808, Mukim Kuala Lumpur, Daerah Wilayah Persekutuan, Negeri Wilayah Persekutuan, measuring 19,133 square feet in area together with a double-storey detached house erected thereon for RM7,400,000.

The rationale for the above acquisitions is to utilise some of the Group's internally generated funds to invest in and develop real estate in the exclusive neighborhood of Damansara Height where vacant land is already very limited. There is considerable potential of high capital appreciation in view of the strong demand for high-end residential properties in Damansara Height and the surrounding areas including Kenny Hill. As such, the Group intends to develop six (6) units of high-end-luxury villas for sale and investment.

The acquisition is not expected to contribute to the earnings of the Group but it is expected to have positive effect on the net tangible assets of the Group for the financial year ending 31 December 2008.

9. Borrowings

	As at 30.06.2008 RM'000	As at 31.12.2007 RM'000
Secured		
Short term borrowings	1,951	22,543
Long term borrowings	31,639	30,265
	<u>33,590</u>	<u>52,808</u>

10. Off balance sheet financial instruments

There were no off balance sheet financial instruments as at the date of this report.

11. Changes in material litigation

Kuala Lumpur High Court Civil Suit No. D3-22-1168-2004

Cepatwawasan Group Berhad and Prolific Yield Sdn Bhd v Tengku Dato' Kamal Ibni Sultan Sir Abu Bakar and 17 others for the recovery of RM16 million wrongfully and fraudulently paid out by the former directors who were removed on 6 August 2004.

- the hearing of the 3rd Defendant's and 4th Defendant's application for stay of execution of Attachment Before Judgment Order before the Court of Appeal is adjourned to a date to be announced later;
- the case management of this matter is adjourned to 2 September 2008 pending the disposal of the Plaintiff's appeal to the Court of Appeal with regard to the High Court's decision in striking out the Plaintiffs' Statement of Claim against the 14th - 17th Defendants; and
- the hearing of the 7th Defendant's application to extract items from the safe deposit is also adjourned to 2 September 2008 as the 7th Defendant's counsel was unavailable on the 7 July 2008 hearing.

12. Dividend payable

The final dividend of gross 2% less 26% taxation declared on 28 April 2008, on 215,456,915 ordinary shares amounting to RM3,188,762 in respect of the financial year ended 31 December 2007 was paid on 29 May 2008.

13. Earnings per share

(a) Basic

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

	Current quarter		Cumulative quarter	
	3 months ended 30.06.2008	3 months ended 30.06.2007	6 months ended 30.06.2008	6 months ended 30.06.2007
	RM'000	RM'000	RM'000	RM'000
Profit attributable to ordinary equity holders of the parent	12,284	8,896	27,026	12,897
Weighted average number of Ordinary shares in issue ('000)	215,457	215,457	215,457	215,457
Basic earnings per share (sen) for: Profit for the period	5.70	4.13	12.54	5.99

(b) Diluted

The Group has no potential ordinary shares in issue as at balance sheet and therefore, diluted earnings per shares has not been presented.

14. Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 29 July 2008.