

**CEPATWAWASAN GROUP BERHAD**  
(Company No. 536499-K)

**Condensed Consolidated Income Statement for the period ended 30 September 2008**

	Individual quarter		Cumulative quarter	
	3 months ended 30.09.2008 RM'000 (Unaudited)	3 months ended 30.09.2007 RM'000 (Unaudited)	9 months ended 30.09.2008 RM'000 (Unaudited)	9 months ended 30.09.2007 RM'000 (Unaudited)
Revenue	73,960	56,554	206,381	139,965
Cost of sales	(58,118)	(39,583)	(157,289)	(101,353)
<b>Gross profit</b>	<b>15,842</b>	<b>16,971</b>	<b>49,092</b>	<b>38,612</b>
Other income	336	804	6,329	1,004
Administrative expenses	(1,085)	(1,572)	(3,263)	(3,684)
Selling and marketing expenses	(1,197)	(703)	(2,658)	(2,397)
Finance costs	(196)	(279)	(885)	(931)
<b>Profit before tax</b>	<b>13,700</b>	<b>15,221</b>	<b>48,615</b>	<b>32,604</b>
Income tax expense	(3,557)	(4,113)	(10,192)	(8,311)
<b>Profit for the period</b>	<b>10,143</b>	<b>11,108</b>	<b>38,423</b>	<b>24,293</b>
Attributable to:				
Equity holders of the parent	9,835	10,579	36,861	23,476
Minority interests	308	529	1,562	817
	<b>10,143</b>	<b>11,108</b>	<b>38,423</b>	<b>24,293</b>
<b>Earnings per share attributable to equity holders of the parent:</b>				
Basic, for profit for the period (sen)	<b>4.57</b>	<b>4.91</b>	<b>17.11</b>	<b>10.90</b>

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 September 2008**

	As at end of period ended 30.09.2008 RM'000 (Unaudited)	As at preceding period ended 31.12.2007 RM'000 (Audited)
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	60,152	59,053
Investment properties	12,643	-
Prepaid land lease payments	65,691	70,396
Biological assets	148,257	147,316
Intangible assets	93,266	93,266
Deferred tax assets	733	533
	<u>380,742</u>	<u>370,564</u>
<b>Current assets</b>		
Inventories	18,963	13,124
Trade and other receivables	19,518	13,911
Tax refundable	742	582
Deposits with licensed banks	25,894	33,402
Cash and bank balances	3,820	8,656
	<u>68,937</u>	<u>69,675</u>
<b>TOTAL ASSETS</b>	<u>449,679</u>	<u>440,239</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	215,457	215,457
Retained profits	117,533	83,861
	<u>332,990</u>	<u>299,318</u>
<b>Minority interests</b>	15,583	13,877
<b>Total equity</b>	<u>348,573</u>	<u>313,195</u>
<b>Non-current liabilities</b>		
Lease rental payable	267	267
Borrowings	27,153	30,265
Deferred tax liabilities	45,921	46,099
	<u>73,341</u>	<u>76,631</u>
<b>Current liabilities</b>		
Borrowings	5,286	22,543
Trade and other payables	20,076	23,054
Provision for taxation	2,403	4,816
	<u>27,765</u>	<u>50,413</u>
<b>Total liabilities</b>	<u>101,106</u>	<u>127,044</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>449,679</u>	<u>440,239</u>
<b>Net assets per share attributable to ordinary equity holders of the parent (RM)</b>	1.55	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.

**CEPATWAWASAN GROUP BERHAD**  
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**Condensed Consolidated Cash Flow Statement for the period ended 30 September 2008**

	<b>9 months ended 30.09.2008 RM'000 (Unaudited)</b>	<b>9 months ended 30.09.2007 RM'000 (Unaudited)</b>
Net cash generated from operating activities	19,665	22,463
Net cash used in investing activities	(6,873)	(21,618)
Net cash (used in)/generated from financing activities	(25,136)	8,213
Net (decrease)/increase in cash and cash equivalents	<u>(12,344)</u>	<u>9,058</u>
Cash and cash equivalents at beginning of financial period	42,058	11,913
Cash and cash equivalents at end of financial period	<u>29,714</u>	<u>20,971</u>

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

	<b>As at 30.09.2008 RM'000</b>	<b>As at 30.09.2007 RM'000</b>
Deposits placed with licensed banks	25,894	15,896
Cash and bank balances	<u>3,820</u>	<u>5,075</u>
	<u>29,714</u>	<u>20,971</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**  
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**Condensed Consolidated Statement of Changes in Equity for the period ended 30 September 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	-	23,476	23,476	817	24,293
At 30 September 2007	215,457	62,495	277,952	13,402	291,354
At 1 January 2008	215,457	83,861	299,318	13,877	313,195
Profit for the period	-	36,861	36,861	1,562	38,423
Issuance of share of subsidiaries to MI	-	-	-	144	144
Dividend	-	(3,189)	(3,189)	-	(3,189)
At 30 September 2008	215,457	117,533	332,990	15,583	348,573

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.

4. Segmental information

	Individual Quarter		Cumulative Quarter	
	3 months ended 30.09.2008	3 months ended 30.09.2007	9 months ended 30.09.2008	9 months ended 30.09.2007
	RM'000	RM'000	RM'000	RM'000
<b>Segment revenue</b>				
Revenue from continuing operations:				
Mill and plantations	88,608	68,817	246,968	169,162
Quarries	784	2,703	2,995	6,333
Others	559	559	1,662	1,642
Total revenue including inter-segment sales	89,951	72,079	251,625	177,137
Elimination of inter-segment sales	(15,991)	(15,525)	(45,244)	(37,172)
Total revenue from continuing operations	73,960	56,554	206,381	139,965
<b>Segment profit before tax</b>				
Results from continuing operations:				
Mill and plantations	13,512	14,790	42,610	31,375
Quarries	123	736	502	1,465
Others	65	(305)	5,503	(236)
Total profit before tax from continuing operations	13,700	15,221	48,615	32,604

5. Unusual items due to their nature, size or incidence

There were no other unusual items except for a gain of approximately RM5.4 million included in other income arising from the disposal of a vacant land in a subsidiary, affecting assets, liabilities, equity, net income or cash flows during the financial period ended 30 September 2008.

6. Changes in estimates

There was no estimation of amount used in the preceding reporting quarter having a material impact in the current reporting quarter.

7. Comments about seasonal or cyclical factors

In line with the trend of Fresh Fruit Bunches (FFB) production in the oil palm industry, the Group expects 'low' crop in the beginning of the calendar year and 'high' crop towards the second half of the calendar year.

8. Dividend paid

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.

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

On 15 August 2008, the Company subscribed for additional 165,000 ordinary shares of RM1.00 each at par in Cash Horse (M) Sdn. Bhd. and Mistral Engineering Sdn. Bhd. respectively from their allotment of 240,000 ordinary shares of RM1.00 each at par resulting the proportion of ownership interest of the Group decreased from 100% to 70%.

12. Capital commitments

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

	RM'000
Approved and contracted for	3,773
Approved but not contracted for	2,688
	<u>6,461</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

On 16 October 2008, Cash Horse (M) Sdn. Bhd. (“CHSB”) and Mistral Engineering Sdn. Bhd. (“MESB”), both subsidiaries of the Group, obtained approval from Ministry of Energy, Water and Communications Malaysia for their Small Renewable Energy Programme (SREP) application for Cepatwawasan 11.5 MW Biomass Power Plant by CHSB; and Cepatwawasan 2.0 MW Biogas Power Plant by MESB.

On 24 October 2008, CHSB and MESB, both subsidiaries of the Group have entered into the following Letters of Intent:

- a) Between CHSB and Nordjysk Elhandel A/S, a company incorporated in Denmark with its registered address at Østerbro 42, 9000 Aalborg, Denmark (“NE”) to regulate the sale of Certified Emission Reductions (“CER”) by CHSB from the 10MW Biomass Power Plant Project;
- b) Between MESB and NE to regulate the sale of CER generated by MESB from the 3.0MW POME Biogas Power Plant Project; and
- c) Between MESB and The Danish Ministry of Climate and Energy to regulate the sale of CER generated by MESB from the 3.0MW POME Biogas Power Plant Project.

Respective Emission Reductions Purchase Agreements (“ERPA”) would be executed within one year from the date of execution of the respective Letters of Intent to replace the aforesaid Letters of Intent when all parties are ready to enter into such an agreement and salient terms of the ERPA would be announced upon execution.



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**Information required by BMSB Listing Requirements**

1. Review of performance

For the quarter under review, the Group recorded revenue of RM74 million, a significant increase of RM17.4 million as compared to the preceding year's corresponding quarter mainly due to higher CPO and PK prices and CPO sales volume.

The Group reported a profit before tax of RM13.7 million for the quarter under review, which is a decrease of 10% from the preceding year's corresponding quarter mainly due to lower quarry sales, lower oil extraction rate and significant increase in the cost of fuel, fertilizer and chemicals which negated the gain from the higher CPO prices.

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

Profit before tax in the current quarter is lower at RM13.7 million as compared to RM16 million in the immediate preceding quarter due to lower CPO and PK prices and lower oil extraction rate.

3. Commentary on prospects

Similar to the other companies in this sector, the Group would be affected by the drastic fall in the price of CPO but is confident that it can weather this in the short to medium term because of its low operating cost and low gearing.

4. Profit forecast or profit guarantee

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

5. Income tax expense

	<b>Individual quarter</b>		<b>Cumulative quarter</b>	
	<b>3 months ended</b>	<b>3 months ended</b>	<b>9 months ended</b>	<b>9 months ended</b>
	<b>30.09.2008</b>	<b>30.09.2007</b>	<b>30.09.2008</b>	<b>30.09.2007</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Current tax	3,787	4,186	11,881	8,909
Deferred tax	(230)	(73)	(1,689)	(598)
<b>Total income tax expense</b>	<b>3,557</b>	<b>4,113</b>	<b>10,192</b>	<b>8,311</b>

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 September 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

There were no corporate proposals for the current quarter under review.

9. Borrowings

	<b>As at 30.09.2008 RM'000</b>	<b>As at 31.12.2007 RM'000</b>
<b>Secured</b>		
Short term borrowings	5,286	22,543
Long term borrowings	27,153	30,265
	<u>32,439</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 3<sup>rd</sup> Defendant's and 4<sup>th</sup> 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 12 January 2009 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 14<sup>th</sup> - 17<sup>th</sup> Defendants; and
- the court has allowed the 7<sup>th</sup> Defendant's application to extract certain items from the safe deposit.

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.

	Individual quarter		Cumulative quarter	
	3 months ended 30.09.2008 RM'000	3 months ended 30.09.2007 RM'000	9 months ended 30.09.2008 RM'000	9 months ended 30.09.2007 RM'000
Profit attributable to ordinary equity holders of the parent	9,835	10,579	36,861	23,476
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	4.57	4.91	17.11	10.90

#### (b) Diluted

The Group has no potential ordinary shares in issue as at balance sheet and therefore, diluted earnings per share 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 28 October 2008.