

CEPATWAWASAN GROUP BERHAD
(Company No. 536499-K)

Condensed Consolidated Income Statement for the period ended 30 September 2009

	Individual quarter		Cumulative quarter	
	3 months ended 30.09.2009 RM'000 (Unaudited)	3 months ended 30.09.2008 RM'000 (Unaudited)	9 months ended 30.09.2009 RM'000 (Unaudited)	9 months ended 30.09.2008 RM'000 (Unaudited)
Revenue	40,695	73,960	114,968	206,381
Cost of sales	(33,025)	(58,118)	(91,034)	(157,289)
Gross profit	7,670	15,842	23,934	49,092
Other income	261	336	771	6,329
Administrative expenses	(1,369)	(1,085)	(3,681)	(3,263)
Selling and marketing expenses	(991)	(1,197)	(2,765)	(2,658)
Finance costs	(294)	(196)	(1,075)	(885)
Profit before tax	5,277	13,700	17,184	48,615
Income tax expense	(1,798)	(3,557)	(4,932)	(10,192)
Profit for the period	3,479	10,143	12,252	38,423
Attributable to:				
Equity holders of the parent	3,342	9,835	11,761	36,861
Minority interests	137	308	491	1,562
	3,479	10,143	12,252	38,423
Earnings per share attributable to equity holders of the parent:				
Basic, for profit for the period (sen)	1.55	4.57	5.46	17.11

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 December 2008 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 2009

	As at end of period ended 30.09.2009 RM'000 (Unaudited)	As at preceding period ended 31.12.2008 RM'000 (Audited)
ASSETS		
Non-current Assets		
Property, plant and equipment	64,472	62,032
Investment properties	20,279	20,279
Prepaid land lease payments	63,543	64,146
Biological assets	150,605	150,374
Intangible assets	92,088	92,088
Deferred tax assets	1,577	749
	<u>392,564</u>	<u>389,668</u>
Current assets		
Inventories	10,293	13,796
Trade and other receivables	10,221	10,576
Tax refundable	1,219	2,205
Short term investments	2,319	1,092
Deposits placed with licensed banks	24,401	23,672
Cash and bank balances	4,944	4,876
	<u>53,397</u>	<u>56,217</u>
TOTAL ASSETS	<u>445,961</u>	<u>445,885</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	215,457	215,457
Retained profits	126,950	118,421
	<u>342,407</u>	<u>333,878</u>
Minority interests	15,737	15,631
Total equity	<u>358,144</u>	<u>349,509</u>
Non-current liabilities		
Lease rental payable	267	267
Borrowings	18,699	28,264
Deferred tax liabilities	45,956	45,805
	<u>64,922</u>	<u>74,336</u>
Current liabilities		
Borrowings	6,802	8,654
Trade and other payables	15,119	12,414
Provision for taxation	974	972
	<u>22,895</u>	<u>22,040</u>
Total liabilities	<u>87,817</u>	<u>96,376</u>
TOTAL EQUITY AND LIABILITIES	<u>445,961</u>	<u>445,885</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.59	1.55

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2008 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 2009

	9 months ended 30.09.2009 RM'000 (Unaudited)	9 months ended 30.09.2008 RM'000 (Unaudited)
Net cash generated from operating activities	23,991	19,665
Net cash used in investing activities	(5,677)	(6,873)
Net cash used in financing activities	(16,290)	(25,136)
Net increase/ (decrease) in cash and cash equivalents	<u>2,024</u>	<u>(12,344)</u>
Cash and cash equivalents at beginning of financial period	29,640	42,058
Cash and cash equivalents at end of financial period	<u>31,664</u>	<u>29,714</u>

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

	As at 30.09.2009 RM'000	As at 30.09.2008 RM'000
Short term investments	2,319	-
Deposits placed with licensed banks	24,401	25,894
Cash and bank balances	4,944	3,820
	<u>31,664</u>	<u>29,714</u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2008 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 September 2009

	Attributable to Equity Holders of the parent			Minority	Total
	Share Capital	Distributable Retained Profits	Total	Interests	Equity
	RM'000	RM'000	RM'000	RM'000	RM'000
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	<u>215,457</u>	<u>117,533</u>	<u>332,990</u>	<u>15,583</u>	<u>348,573</u>
At 1 January 2009	215,457	118,421	333,878	15,631	349,509
Profit for the period	-	11,761	11,761	491	12,252
Acquisition of subsidiary	-	-	-	15	15
Dividend paid to Minority Interest	-	-	-	(400)	(400)
Dividend	-	(3,232)	(3,232)	-	(3,232)
At 30 September 2009	<u>215,457</u>	<u>126,950</u>	<u>342,407</u>	<u>15,737</u>	<u>358,144</u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2008 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 year ended 31 December 2008.

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 year ended 31 December 2008. 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 year ended 31 December 2008.

2. Changes in accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2008.

3. Auditors’ report on preceding annual financial statements

The auditors’ report on the financial statements of the Group for the year ended 31 December 2008 was not qualified.

4. Segmental information

	Individual Quarter		Cumulative Quarter	
	3 months ended	3 months ended	9 months ended	9 months ended
	30.09.2009	30.09.2008	30.09.2009	30.09.2008
	RM’000	RM’000	RM’000	RM’000
Segment revenue				
Revenue from continuing operations:				
Mill and plantations	51,434	88,608	144,070	246,968
Quarries	695	784	2,027	2,995
Others	548	559	1,614	1,662
Total revenue including inter-segment sales	52,677	89,951	147,711	251,625
Elimination of inter-segment sales	(11,982)	(15,991)	(32,743)	(45,244)
Total revenue from continuing operations	40,695	73,960	114,968	206,381
Segment profit before tax				
Results from continuing operations:				
Mill and plantations	5,280	13,512	17,457	42,610
Quarries	58	123	(186)	502
Others	(61)	65	(87)	5,503
Total profit before tax from continuing operations	5,277	13,700	17,184	48,615

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period ended 30 September 2009.

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 year and 'high' crop towards the second half of the year.

8. Dividend paid

The final dividend of 1.5% declared on 27 April 2009, on 215,456,915 ordinary shares amounting to RM2,154,569 in respect of the financial year ended 31 December 2008 was paid on 20 May 2009.

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 year ended 31 December 2008.

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 September 2009 is as follows:

	RM'000
Approved and contracted for	14,817
Approved but not contracted for	<u>3,652</u>
	<u>18,469</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 2008.

14. Subsequent events

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

Information required by BMSB Listing Requirements

1. Review of performance

For this third quarter under review, the Group recorded a revenue of RM40.70 million, a significant decrease of RM33.27 million as compared to the preceding year corresponding quarter due to lower CPO and PK prices by 27% and 32% respectively and a 25% decrease in CPO sales volume.

The Group reported a profit before tax of RM5.27 million for the third quarter ended 30 September 2009, a decrease of 61% from the preceding year corresponding quarter mainly due to lower CPO and PK prices by 27% and 32% respectively and lower margin as a result of stiff competition on sourcing the fresh fruit bunches.

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

Profit before tax in the current quarter is lower at RM5.27 million as compared to RM7.84 million in the immediate preceding quarter due to lower extraction rates because of seasonal factors and lower margin as a result of stiff competition on sourcing the fresh fruit bunches.

3. Commentary on prospects

Barring any unforeseen circumstances, the Board is confident that the Group's prospects remain bright in view that CPO and PK prices has recently stabilised around RM2,150 and RM1,100 per metric tonne respectively.

4. Profit forecast or profit guarantee

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

5. Income tax expense

	Individual quarter		Cumulative quarter	
	3 months ended 30.09.2009	3 months ended 30.09.2008	9 months ended 30.09.2009	9 months ended 30.09.2008
	RM'000	RM'000	RM'000	RM'000
Current tax	1,847	3,787	5,693	11,881
Underprovision of tax in prior years	374	-	374	-
Deferred tax	(423)	(230)	(1,135)	(1,689)
Total income tax expense	1,798	3,557	4,932	10,192

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 25% (31 December 2008: 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

An Extraordinary General Meeting ("EGM") was held on 29 October 2009 for the purpose of considering and passing the following:

- a) proposed purchase by the Company of up to ten percent (10%) of its issued and paid-up share capital ("Proposed Share Buy-Back"); and
- b) proposed exemption to MHC Plantations Bhd and the parties acting in concert with it ("PACs") under Practice Note 2.9.10 of the Malaysian Code on Take-Overs and Mergers, 1998 from the obligation to undertake a mandatory general offer for all the remaining ordinary shares of RM1.00 each in Company not held by them pursuant to the implementation of the Proposed Share Buy-Back.

The EGM held on 29 October 2009 passed the two resolutions set out in the Notice of the EGM dated 13 October 2009.

9. Borrowings

	As at 30.09.2009 RM'000	As at 31.12.2008 RM'000
Secured		
Short term borrowings	6,802	8,654
Long term borrowings	18,699	28,264
	25,501	36,918

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 1st to 4th Defendant's appeal to the Court of Appeal against the Order dated 24 June 2005 for Attachment Before Judgment came up on 22 June 2009. The Company noted that the solicitors for the Appellant amended the Draft Order dated 24 June 2005 and removed several Affidavits referred to by the Company at the hearing before the High Court. The Company was not agreeable to the same as the Affidavits were also not inserted into the Appellants' Record of Appeal filed at or about 2005 and the Company would not be able to defend the appeal effectively without them. As such, the Company's solicitor sought an adjournment of the appeal to enable the parties to go before the High Court Registrar to settle the terms of the Draft Order with a view to incorporating the Affidavits into the Order and Record of Appeal. The Court of Appeal agreed with the request and adjourned the appeal to a date to be fixed. The appointment to

resolve the terms of the High Court Order proceeded as scheduled on 22 July 2009 and decided on 12 August 2009. The Registrar was of the view that the 12 Affidavits used for the Mareva application should not be in the Draft Order for the Attachment Before Judgement in Encl. 115 and hence they cannot be referred to at the hearing of the 1st to 4th Defendant's appeal to the Court of Appeal.

- On 28 August 2009, the parties met up with the former High Court Judge who granted the Order dated 24 June 2005 who confirmed that he had referred to all the Affidavits filed by the Plaintiffs' at the hearing of the application for Attachment before Judgment. The learned Judge suggested that the parties fix a further appointment before the High Court Registrar to notify her of the outcome of the appointment and decide whether the Affidavits should be incorporated into the Draft Order. The parties are in the midst of scheduling a further meeting with the High Court Registrar for the purpose.
- The Case Management of this matter is scheduled for 19 November 2009 pending resolution of the terms of the Draft Order dated 24 June 2005. Fresh Case Management directions will be given after resolution of the terms of the Order; and
- On 29 September 2009, the 7th Defendant's further application in Encl. 356 to the Court to withdraw and deal with monies in fixed deposit accounts opened between 26 February 2002 – 8 May 2002 and the joint savings account with the 7th Defendant's mother was allowed with costs in the cause.

12. Dividend payable

No interim dividend has been declared for the financial period 30 September 2009.

The total dividend paid in 2009 is 1.5%.

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 30.09.2009	3 months ended 30.09.2008	9 months ended 30.09.2009	9 months ended 30.09.2008
	RM'000	RM'000	RM'000	RM'000
Profit attributable to ordinary equity holders of the parent	3,342	9,835	11,761	36,861
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	1.55	4.57	5.46	17.11

(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 29 October 2009.