

CEPATWAWASAN GROUP BERHAD
(Company No. 536499-K)

Condensed Consolidated Income Statement for the period ended 31 December 2009

	Individual quarter		Cumulative quarter	
	3 months ended 31.12.2009	3 months ended 31.12.2008	12 months ended 31.12.2009	12 months ended 31.12.2008
	RM'000 (Unaudited)	RM'000 (Unaudited)	RM'000 (Unaudited)	RM'000 (Audited)
Revenue	49,035	40,581	164,003	246,962
Cost of sales	(36,939)	(30,171)	(127,973)	(187,460)
Gross profit	12,096	10,410	36,030	59,502
Other income	348	(967)	1,119	5,362
Administrative expenses	(2,232)	(3,742)	(5,913)	(7,005)
Selling and marketing expenses	(1,207)	(871)	(3,972)	(3,529)
Finance costs	(238)	(240)	(1,313)	(1,125)
Profit before tax	8,767	4,590	25,951	53,205
Income tax expense	(2,982)	(1,500)	(7,914)	(11,692)
Profit for the period	5,785	3,090	18,037	41,513
Attributable to:				
Equity holders of the parent	5,683	3,042	17,444	39,903
Minority interests	102	48	593	1,610
	5,785	3,090	18,037	41,513
Earnings per share attributable to equity holders of the parent:				
Basic, for profit for the period (sen)	2.67	1.42	8.13	18.52

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 31 December 2009

	As at end of period ended 31.12.2009 RM'000 (Unaudited)	As at preceding period ended 31.12.2008 RM'000 (Audited)
ASSETS		
Non-current Assets		
Property, plant and equipment	64,843	62,032
Investment properties	20,279	20,279
Prepaid land lease payments	63,267	64,146
Biological assets	150,681	150,374
Intangible assets	92,088	92,088
Deferred tax assets	1,667	749
	<u>392,825</u>	<u>389,668</u>
Current assets		
Inventories	16,459	13,796
Trade and other receivables	15,029	10,576
Tax refundable	238	2,205
Short term investments	3,133	1,092
Deposits placed with licensed banks	15,141	23,672
Cash and bank balances	3,609	4,876
	<u>53,609</u>	<u>56,217</u>
TOTAL ASSETS	<u>446,434</u>	<u>445,885</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	215,457	215,457
Treasury Shares	(4,109)	-
Retained profits	130,519	118,421
	<u>341,867</u>	<u>333,878</u>
Minority interests	15,839	15,631
Total equity	<u>357,706</u>	<u>349,509</u>
Non-current liabilities		
Lease rental payable	267	267
Borrowings	18,159	28,264
Deferred tax liabilities	45,878	45,805
	<u>64,304</u>	<u>74,336</u>
Current liabilities		
Borrowings	5,518	8,654
Trade and other payables	16,755	12,414
Provision for taxation	2,151	972
	<u>24,424</u>	<u>22,040</u>
Total liabilities	<u>88,728</u>	<u>96,376</u>
TOTAL EQUITY AND LIABILITIES	<u>446,434</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

(Company No. 536499-K)

Condensed Consolidated Cash Flow Statement for the period ended 31 December 2009

	12 months ended 31.12.2009 RM'000 (Unaudited)	12 months ended 31.12.2008 RM'000 (Audited)
Net cash generated from operating activities	24,046	27,029
Net cash used in investing activities	(7,403)	(17,201)
Net cash used in financing activities	(24,400)	(22,246)
Net decrease in cash and cash equivalents	<u>(7,757)</u>	<u>(12,418)</u>
Cash and cash equivalents at beginning of financial period	29,640	42,058
Cash and cash equivalents at end of financial period	<u>21,883</u>	<u>29,640</u>

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

	As at 31.12.2009 RM'000	As at 31.12.2008 RM'000
Short term investments	3,133	1,092
Deposits placed with licensed banks	15,141	23,672
Cash and bank balances	<u>3,609</u>	<u>4,876</u>
	<u>21,883</u>	<u>29,640</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 31 December 2009

	Attributable to Equity Holders of the parent			Total	Minority Interests	Total Equity
	Share Capital	Treasury Shares	Retained Profits			
	RM'000	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	-	-	39,903	39,903	1,610	41,513
Issuance of share of subsidiaries to MI	-	-	-	-	144	144
Dividend	-	-	(5,343)	(5,343)	-	(5,343)
At 31 December 2008	215,457	-	118,421	333,878	15,631	349,509
At 1 January 2009	215,457	-	118,421	333,878	15,631	349,509
Profit for the period	-	(4,109)	17,444	13,335	593	13,928
Acquisition of subsidiary	-	-	-	-	15	15
Dividend paid to Minority Interest	-	-	-	-	(400)	(400)
Dividend	-	-	(5,346)	(5,346)	-	(5,346)
At 31 December 2009	215,457	(4,109)	130,519	341,867	15,839	357,706

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 31.12.2009 RM'000	3 months ended 31.12.2008 RM'000	12 months ended 31.12.2009 RM'000	12 months ended 31.12.2008 RM'000
Segment revenue				
Revenue from continuing operations:				
Mill and plantations	62,417	47,564	206,487	294,533
Quarries	1,386	890	3,413	3,885
Others	563	557	2,177	2,219
Total revenue including inter-segment sales	64,366	49,011	212,077	300,637
Elimination of inter-segment sales	(15,331)	(8,430)	(48,074)	(53,675)
Total revenue from continuing operations	49,035	40,581	164,003	246,962
Segment profit before tax				
Results from continuing operations:				
Mill and plantations	10,318	5,727	27,775	48,342
Quarries	(774)	186	(959)	688
Others	(777)	(1,323)	(865)	4,175
Total profit before tax from continuing operations	8,767	4,590	25,951	53,205

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 31 December 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 single tier interim dividend of 1% declared on 2 December 2009, on 211,455,915 ordinary shares amounting to RM2,114,559 in respect of the financial year ended 31 December 2009 was paid on 29 December 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, except as disclosed below.

During the current financial quarter, the Company repurchased 4,001,000 of its issued ordinary shares from the open market at an average price of RM1.02 per share. The total consideration paid for the purchase including transaction costs was RM4,108,604. The repurchase transaction was financed by internally generated funds. The repurchased share are being held as treasury shares and treated in accordance with the requirement of Section 67A of the Companies Act 1965. None of the treasury shares has been resold or distributed as share dividends during the current financial period.

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 31 December 2009 is as follows:

	RM'000
Approved and contracted for	13,874
Approved but not contracted for	<u>3,474</u>
	<u>17,348</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.

CEPATWAWASAN GROUP BERHAD
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Information required by BMSB Listing Requirements

1. Review of performance

For this quarter under review, the Group recorded a revenue of RM49.04 million, which is an increase of RM8.45 million as compared to the preceding year corresponding quarter due to higher CPO and PK prices by 29% and 23% respectively and increase in FFB production by 13%.

The Group reported a profit before tax of RM8.77 million for this quarter under review, which is an increase of 91% from the preceding year corresponding quarter mainly due to higher CPO and PK by 29% and 23% respectively and increase in FFB production by 13%.

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

Profit before tax in this quarter under review is higher at RM9.11 million as compared to RM5.28 million in the immediate preceding quarter due to increase in FFB production by 30% and increase in CPO sale by 20%.

3. Commentary on prospects

Barring any unforeseen circumstances, the Board is confident that the Group's prospects will remain bright in view of the recent increase in CPO and PK prices to around RM2,600 and RM1,400 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	3 months ended	12 months ended	12 months ended
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
	RM'000	RM'000	RM'000	RM'000
Current tax	2,780	1,671	8,848	13,552
Underprovision of tax in prior years	374	-	374	-
Deferred tax	(172)	(171)	(1,308)	(1,860)
Total income tax expense	2,982	1,500	7,914	11,692

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

There was no corporate proposal for the current quarter under review.

9. Borrowings

	As at 31.12.2009 RM'000	As at 31.12.2008 RM'000
Secured		
Short term borrowings	5,518	8,654
Long term borrowings	18,159	28,264
	<u>23,677</u>	<u>36,918</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 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 Judgment 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 24.06.2005 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.
- On 4 January 2010, the court has directed the parties to file the following documents before the next Case Management fixed for 3 March 2010:
 1. Common Bundle of Documents;
 2. Issues To Be Tried;
 3. Agreed Facts;
 4. Summary of Plaintiff's Case; and
 5. Summary of Defendants' Case.

12. Dividend payable

The single tier interim dividend of 1% declared on 2 December 2009, on 211,455,915 ordinary shares amounting to RM2,114,559 in respect of the financial year ended 31 December 2009 was paid on 29 December 2009.

The total dividend paid in 2009 is 2.5%.

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 excluding treasury shares held by the Company.

	Individual quarter		Cumulative quarter	
	3 months ended	3 months ended	12 months ended	12 months ended
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
	RM'000	RM'000	RM'000	RM'000
Profit attributable to ordinary equity holders of the parent	5,683	3,042	17,444	39,903
Weighted average number of Ordinary shares in issue ('000)	213,179	215,457	214,609	215,457
Basic earnings per share (sen) for: Profit for the period	2.66	1.42	8.13	18.52

(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 24 February 2010.