

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

**Condensed consolidated statement of comprehensive income**  
**For the 3 months ended 31 March 2010 - unaudited**

	Individual quarter		Cumulative quarter	
	3 months ended 31.3.2010 RM'000	3 months ended 31.3.2009 RM'000	3 months ended 31.3.2010 RM'000	3 months ended 31.3.2009 RM'000
Revenue	49,140	32,640	49,140	32,640
Cost of sales	(39,320)	(26,471)	(39,320)	(26,471)
<b>Gross profit</b>	<b>9,820</b>	<b>6,169</b>	<b>9,820</b>	<b>6,169</b>
Other income	336	107	336	107
Distribution expenses	(1,157)	(911)	(1,157)	(911)
Administrative expenses	(1,643)	(1,019)	(1,643)	(1,019)
<b>Results from operating activities</b>	<b>7,356</b>	<b>4,346</b>	<b>7,356</b>	<b>4,346</b>
Finance income	108	153	108	153
Finance costs	(239)	(430)	(239)	(430)
<b>Net finance costs</b>	<b>(131)</b>	<b>(277)</b>	<b>(131)</b>	<b>(277)</b>
<b>Profit before tax</b>	<b>7,225</b>	<b>4,069</b>	<b>7,225</b>	<b>4,069</b>
Income tax expense	(1,814)	(1,045)	(1,814)	(1,045)
<b>Profit/total comprehensive income for the period</b>	<b>5,411</b>	<b>3,024</b>	<b>5,411</b>	<b>3,024</b>
<b>Profit attributable to:</b>				
Owners of the Company	5,197	2,927	5,197	2,927
Minority interests	214	97	214	97
<b>Profit/total comprehensive income for the period</b>	<b>5,411</b>	<b>3,024</b>	<b>5,411</b>	<b>3,024</b>
<b>Earnings per share attributable to owners of the Company</b>				
Basic, for profit for the period (sen)	2.46	1.36	2.46	1.36

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

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

**Condensed consolidated statement of financial position as at 31 March 2010 - unaudited**

	<b>31.3.2010</b>	<b>31.12.2009</b>
	<b>RM'000</b>	<b>RM'000</b>
		<b>(Restated)</b>
<b>ASSETS</b>		
Property, plant and equipment	126,817	125,994
Investment properties	20,279	20,279
Prepaid land lease payments	2,155	2,160
Biological assets	150,761	150,681
Intangible assets	92,088	92,088
Deferred tax assets	2,002	1,667
Trade and other receivables	1,929	1,929
<b>Total non-current assets</b>	<u>396,031</u>	<u>394,798</u>
Inventories	13,235	16,371
Trade and other receivables	9,928	13,099
Tax refundable	284	238
Short term investments	3,853	3,133
Deposits placed with licensed banks	38,990	15,141
Cash and bank balances	3,093	3,609
<b>Current assets</b>	<u>69,383</u>	<u>51,591</u>
<b>Total assets</b>	<u>465,414</u>	<u>446,389</u>
<b>EQUITY</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	215,457	215,457
Treasury Shares	(4,109)	(4,109)
Retained profits	135,693	130,496
<b>Total equity attributable to owners of the Company</b>	<u>347,041</u>	<u>341,844</u>
<b>Minority interests</b>	16,054	15,840
<b>Total equity</b>	<u>363,095</u>	<u>357,684</u>
<b>LIABILITIES</b>		
Lease rental payable	267	267
Borrowings	17,563	18,157
Deferred tax liabilities	45,587	45,856
<b>Total non-current liabilities</b>	<u>63,417</u>	<u>64,280</u>
Borrowings	20,551	5,519
Trade and other payables	16,040	16,755
Provision for taxation	2,311	2,151
<b>Total current liabilities</b>	<u>38,902</u>	<u>24,425</u>
<b>Total liabilities</b>	<u>102,319</u>	<u>88,705</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>465,414</u>	<u>446,389</u>

**Net assets per share attributable to owners of the Company (RM)** 1.64 1.62

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

**CEPATWAWASAN GROUP BERHAD**

(Company No. 536499-K)

**Condensed Consolidated Cash Flow Statement for the period ended 31 March 2010 - unaudited**

	<b>3 months ended 31.3.2010 RM'000</b>	<b>3 months ended 31.3.2009 RM'000</b>
Net cash generated from operating activities	12,111	5,306
Net cash used in investing activities	(2,096)	(718)
Net cash generated from/ (used in) financing activities	14,038	(3,222)
Net increase in cash and cash equivalents	<u>24,053</u>	<u>1,366</u>
Cash and cash equivalents at beginning of financial period	21,883	29,640
Cash and cash equivalents at end of financial period	<u>45,936</u>	<u>31,006</u>

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

	<b>As at 31.3.2010 RM'000</b>	<b>As at 31.3.2009 RM'000</b>
Short term investments	3,853	1,185
Deposits placed with licensed banks	38,990	23,074
Cash and bank balances	3,093	6,747
	<u>45,936</u>	<u>31,006</u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

**CEPATWAWASAN GROUP BERHAD**

(Company No. 536499-K)

**Condensed consolidated statement of changes in equity for the period ended 31 March 2010**

	← Attributable to owners of the Company →					
	← Non-distributable →		Distributable			
	Share Capital	Treasury Shares	Retained Profits	Total	Minority Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2009	215,457	-	118,421	333,878	15,631	349,509
Profit for the period	-	-	2,927	2,927	97	3,024
At 31 March 2009	215,457	-	121,348	336,805	15,728	352,533
At 1 January 2010	215,457	(4,109)	130,496	341,844	15,840	357,684
Profit for the period	-	-	5,197	5,197	214	5,411
At 31 March 2010	215,457	(4,109)	135,693	347,041	16,054	363,095

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

**Notes to the condensed consolidated interim financial statements**

1. Basis of preparation

These condensed consolidated interim financial statements have been prepared in accordance with the requirements of FRS 134 “Interim Financial Reporting” and paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad and it should be read in conjunction with the audited financial statements of the Group as at and for the year ended 31 December 2009.

The accounting policies used in the preparation of interim financial statements are consistent with those previously adopted in the audited financial statements of the Group for the year ended 31 December 2009. These explanatory notes attached to the interim financial statement 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 2009.

2. Changes in accounting policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements for the year ended 31 December 2009, except for the adoption of the following:

Effective for financial periods beginning on or after 1 July 2009:

FRS 8: Operating Segments

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: Borrowings Costs

FRS 139: Financial Instruments: Recognition and Measurement

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 Benefits Assets, Minimum Funding Requirements and their Interaction

Amendments to FRS 1: First-time Adoption of Financial Reporting Standards

Amendments to FRS 2: Share-based Payment – Vesting Conditions and Cancellations

Amendments to FRS 7: Financial Instruments: Disclosures

Amendments to FRS 127: Consolidated and Separate Financial Statements: Cost of investment in a Subsidiary, Jointly Controlled Entity or Associate

Amendments to FRS 132: Financial Instruments: Presentation

Amendments to FRS 139: Financial Instruments: Recognition and Measurement

Amendments to FRSs “Improvements to FRSs (2009)”

Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives

Other than the implications as discussed below, the adoption of the above standards, amendments and interpretations do not have any material impact on the financial statements of the Group:

(i) FRS 8, *Operating Segments*

As of 1 January 2010, the Group determines and presents operating segments based on the information that internally is provided to the Executive Committee, who is the Group's chief operating decision maker. This change in accounting policy is due to the adoption of FRS 8. Previously operating segments were determined and presented in accordance with FRS 114<sub>2004</sub>, *Segment Reporting*.

Comparative segment information has been re-presented. Since the change in accounting policy only impacts presentation and disclosure aspect, there is no impact on earnings per share.

(ii) FRS 117, *Leases*

The Group has adopted the amendment to FRS 117. The Group has reassessed and determined that certain leasehold land of the Group which are in substance finance leases and has reclassified the leasehold land to property, plant and equipment. The change in accounting policy has been made retrospectively in accordance with the transitional provisions of the amendment.

The reclassification does not affect the basic earnings per share for the current and prior periods.

The following comparative figures have been restated following the adoption of the amendment to FRS 117:

	<b>Previously Stated RM'000</b>	<b>Increase/(Decrease) Amendment to FRS 117 RM'000</b>	<b>Restated RM'000</b>
<b>At 31 December 2009</b>			
Property, plant and equipment	64,811	61,183	125,994
Prepaid land lease payments	63,343	(61,183)	2,160
	<u>        </u>	<u>        </u>	<u>        </u>

3. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements of the Group for the year ended 31 December 2009 was not qualified.

4. Segmental information

The Group has two reportable segments, as described below, which are the Group's strategies business units. The strategic business units offer different products and are managed separately because they require different technology and marketing strategies. The following summary describes the operations in each of the Group's reportable segments:

- i) Plantation - Cultivation of oil palm
- ii) Oil Mill - Milling and sales of oil palm products

## Information about reportable segments

	For the three months ended 31 March					
	Plantation		Oil Mill		Total	
	2010	2009	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	3,800	1,700	44,659	30,589	48,459	32,289
Inter-segment revenue	11,248	7,822	-	-	11,248	7,822
Segment profit	7,046	2,760	455	1,378	7,501	4,138
Segment assets	259,539	255,712	49,802	51,038	309,341	306,750
Segment liabilities	8,030	5,382	10,735	5,994	18,765	11,376

Reconciliation of reportable segment profit	2010	2009
	RM'000	RM'000
Total profit for reportable segments	7,501	4,138
Other non-reportable segments	433	(26)
Elimination of inter-segment profits	(325)	-
Other corporate expenses	(384)	(43)
Consolidated profit before tax	7,225	4,069

The basis of segmentation has changed following the adoption of FRS 8, *Operating Segments*, on 1 January 2010. Reportable segments have been identified based on strategic business units that offer different products and are managed separately because they require different technology and marketing strategies. In the preceding annual financial statements, segment information was presented in respect of the Group's business and geographical segments.

Performance is now measured based on segment profit before income tax as included in the internal management reports that are reviewed by the Group's Executive Committee. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operating within these industries. In the preceding annual financial statements, performance was measured based on segment result from operating activities and included items directly attributable to a segment as well as those that could be allocated on a reasonable basis.

### 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 under review.

### 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

There were no dividends paid during the financial year-to-date.

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 2009.

10. Debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial period under review.

11. Changes in composition of the Group

The Company had on 12 March 2010 acquired 2 ordinary shares of RM 1.00 each representing a total of 100% issued and paid up capital of Magnum Kapital Sdn. Bhd., at par for cash.

12. Capital commitments

The amount of capital commitments not provided for in the unaudit interim financial statements as at 31 March 2010 is as follows:

	RM'000
Approved and contracted for	13,243
Approved but not contracted for	<u>3,474</u>
	<u>16,717</u>

13. Changes in contingent liabilities and contingent assets

There were no changes in other contingent liabilities or contingent assets since the last annual statement of financial position as at 31 December 2009.

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 quarter under review, the Group recorded a revenue of RM49.14 million, which is an increase of RM16.50 million as compared to the preceding year corresponding quarter due to higher CPO and PK prices by 36% and 74% respectively.

The Group reported a profit before tax of RM7.22 million for this quarter under review, which is an increase of 77% from the preceding year corresponding quarter mainly due to higher CPO and PK prices by 36% and 74% respectively.

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

Profit before tax in this quarter under review is lower at RM7.22 million as compared to RM8.27 million in the immediate preceding quarter due to decrease in FFB production by 28% because of seasonal factor and unusual weather pattern despite a 13% CPO price improvement.

3. Commentary on prospects

Barring any unforeseen circumstances, the Board is confident that the Group's prospects will remain bright in view that CPO and PK prices has recently stabilised around RM2,500 and RM1,500 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

	<b>Individual quarter</b>		<b>Cumulative quarter</b>	
	<b>3 months ended 31.3.2010</b>	<b>3 months ended 31.3.2009</b>	<b>3 months ended 31.3.2010</b>	<b>3 months ended 31.3.2009</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Current tax	2,418	1,480	2,418	1,480
Deferred tax	(604)	(435)	(604)	(435)
Total income tax expense	<u>1,814</u>	<u>1,045</u>	<u>1,814</u>	<u>1,045</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 25% (31 December 2009: 25%) 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

	<b>As at 31.3.2010 RM'000</b>	<b>As at 31.12.2009 RM'000</b>
<b>Secured</b>		
Short term borrowings	20,551	5,519
Long term borrowings	17,563	18,157
	<u>38,114</u>	<u>23,676</u>

10. Disclosure of derivatives

There were no outstanding derivatives (including financial instruments designated as hedging instruments) as at 31 March 2010.

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 application for stay of execution of Attachment Before Judgement Order before Court of Appeal came up on 1 April 2010. The Company briefed the Deputy Registrar that we have written to the Managing Judge Unit at the KL High Court to fix an appointment to resolve the terms of the Draft Order dated 24 June 2005 but have not received an appointment date to date. As such, the appeal is fixed for further Case Management on 1 July 2010 pending the resolution of the Draft Order.
- On 25 March 2010, the Judge had directed the parties involved to assess all documents and the respective strengths of the witnesses to attempt to come to a settlement. The matter is fixed for further mediation on 24 June 2010 and the Judge had requested the respective parties' officer with decision making powers to attend Court on 24 June 2010 to explore the possibility for settlement and decision making. In the event there is no settlement derived, a trial date would be fixed. The Company's solicitors had written to the Defendants' solicitors and requesting them to secure instructions and forward their proposal for settlement to the Company's solicitors.
- The Company'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 is fixed for hearing on 2 August 2010.

## 12. Dividend payable

No interim dividend has been declared for the financial period ended 31 March 2010 (31 March 2009: Nil).

## 13. Earnings per share

### (a) Basic

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

	<b>Individual quarter</b>		<b>Cumulative quarter</b>	
	<b>3 months ended 31.3.2010</b>	<b>3 months ended 31.3.2009</b>	<b>3 months ended 31.3.2010</b>	<b>3 months ended 31.3.2009</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit attributable to owners of the Company	5,197	2,927	5,197	2,927
Weighted average number of Ordinary shares in issue ('000)	211,456	215,457	211,456	215,457
Basic earnings per share (sen) for: Profit for the period	2.46	1.36	2.46	1.36

### (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 April 2010.