

CEPATWAWASAN GROUP BERHAD
(Company No. 536499-K)

Condensed consolidated statement of comprehensive income
For the 6 months ended 30 June 2010 - unaudited

	Individual quarter		Cumulative quarter	
	3 months ended 30.6.2010 RM'000	3 months ended 30.6.2009 RM'000	6 months ended 30.6.2010 RM'000	6 months ended 30.6.2009 RM'000
Revenue	49,731	41,633	98,871	74,273
Cost of sales	(42,580)	(31,538)	(81,900)	(58,009)
Gross profit	7,151	10,095	16,971	16,264
Other income	207	117	543	224
Distribution expenses	(1,139)	(863)	(2,296)	(1,774)
Administrative expenses	(1,964)	(1,293)	(3,607)	(2,312)
Results from operating activities	4,255	8,056	11,611	12,402
Finance income	134	133	242	286
Finance costs	(248)	(351)	(487)	(781)
Net finance costs	(114)	(218)	(245)	(495)
Profit before tax	4,141	7,838	11,366	11,907
Income tax expense	(1,219)	(2,089)	(3,033)	(3,134)
Profit/total comprehensive income for the period	2,922	5,749	8,333	8,773
Profit attributable to:				
Owners of the Company	2,774	5,492	7,971	8,419
Minority interests	148	257	362	354
Profit/total comprehensive income for the period	2,922	5,749	8,333	8,773
Earnings per share attributable to owners of the Company				
Basic, for profit for the period (sen)	1.31	2.55	3.77	3.91

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 30 June 2010 - unaudited

	30.6.2010	31.12.2009
	RM'000	RM'000
		(Restated)
ASSETS		
Property, plant and equipment	128,268	125,994
Investment properties	20,279	20,279
Prepaid land lease payments	2,148	2,160
Biological assets	150,818	150,681
Intangible assets	92,088	92,088
Deferred tax assets	2,266	1,667
Trade and other receivables	1,929	1,929
Total non-current assets	<u>397,796</u>	<u>394,798</u>
Inventories	8,122	16,371
Trade and other receivables	9,975	13,099
Tax refundable	279	238
Short term investments	4,244	3,133
Deposits placed with licensed banks	18,965	15,141
Cash and bank balances	7,129	3,609
Current assets	<u>48,714</u>	<u>51,591</u>
TOTAL ASSETS	<u>446,510</u>	<u>446,389</u>
EQUITY		
Equity attributable to equity holders of the parent		
Share capital	215,457	215,457
Treasury Shares	(4,109)	(4,109)
Retained profits	136,352	130,496
Total equity attributable to owners of the Company	<u>347,700</u>	<u>341,844</u>
Minority interests	<u>15,802</u>	<u>15,840</u>
Total equity	<u>363,502</u>	<u>357,684</u>
LIABILITIES		
Lease rental payable	267	267
Borrowings	16,950	18,157
Deferred tax liabilities	45,392	45,856
Total non-current liabilities	<u>62,609</u>	<u>64,280</u>
Borrowings	3,579	5,519
Trade and other payables	14,774	16,755
Provision for taxation	2,046	2,151
Total current liabilities	<u>20,399</u>	<u>24,425</u>
Total liabilities	<u>83,008</u>	<u>88,705</u>
TOTAL EQUITY AND LIABILITIES	<u>446,510</u>	<u>446,389</u>
Net assets per share attributable to owners of the Company (RM)	1.65	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 30 June 2010 - unaudited

	6 months ended 30.6.2010 RM'000	6 months ended 30.6.2009 RM'000
Net cash generated from operating activities	20,694	16,346
Net cash used in investing activities	(5,773)	(2,355)
Net cash (used in)/ generated from financing activities	(6,466)	1,863
Net increase in cash and cash equivalents	<u>8,455</u>	<u>15,854</u>
Cash and cash equivalents at beginning of financial period	21,883	29,640
Cash and cash equivalents at end of financial period	<u><u>30,338</u></u>	<u><u>45,494</u></u>

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

	As at 30.6.2010 RM'000	As at 30.6.2009 RM'000
Short term investments	4,244	1,497
Deposits placed with licensed banks	18,965	42,265
Cash and bank balances	<u>7,129</u>	<u>1,732</u>
	<u><u>30,338</u></u>	<u><u>45,494</u></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 30 June 2010

	← Attributable to owners of the Company →				Minority Interests	Total Equity
	← Non-distributable →		Distributable			
	Share Capital	Treasury Shares	Retained Profits	Total		
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	-	-	8,419	8,419	354	8,773
Acquisition of subsidiary	-	-	-	-	15	15
Dividend paid to Minority Interest	-	-	-	-	(400)	(400)
Dividend	-	-	(3,232)	(3,232)	-	(3,232)
At 30 June 2009	215,457	-	123,608	339,065	15,600	354,665
At 1 January 2010	215,457	(4,109)	130,496	341,844	15,840	357,684
Profit for the period	-	-	7,971	7,971	362	8,333
Dividend paid to Minority Interest	-	-	-	-	(400)	(400)
Dividend	-	-	(2,115)	(2,115)	-	(2,115)
At 30 June 2010	215,457	(4,109)	136,352	347,700	15,802	363,502

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.

CEPATWAWASAN GROUP BERHAD
(Company No. 536499-K)

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 114₂₀₀₄, *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:

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

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 six months ended 30 June					
	Plantation		Oil Mill		Total	
	2010	2009	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	6,816	4,571	91,033	69,181	97,849	73,752
Inter-segment revenue	22,593	22,309	-	-	22,593	22,309
Segment profit	12,071	10,280	1,129	2,141	13,200	12,421
Segment assets	264,543	259,130	41,269	67,105	305,812	326,235
Segment liabilities	8,286	5,345	8,458	10,419	16,744	15,764

Reconciliation of reportable segment profit	2010	2009
	RM'000	RM'000
		12,421
Total profit for reportable segments	13,200	
Other non-reportable segments	(143)	(244)
Elimination of inter-segment profits	(638)	-
Other corporate expenses	(1,053)	(270)
Consolidated profit before tax	<u>11,366</u>	<u>11,907</u>

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

The single tier final dividend of 1% declared on 28 April 2010, on 211,455,915 ordinary shares (excluding 4,001,000 treasury shares) amounting to RM 2,114,559 in respect of the financial year ended 31 December 2009 was paid on 20 May 2010.

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

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 statements as at 30 June 2010 is as follows:

	RM'000
Approved and contracted for	14,456
Approved but not contracted for	18,023
	<u>32,479</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 RM49.73 million, which is an increase of RM8.10 million as compared to the preceding year corresponding quarter due to higher CPO sales and higher PK prices by 18% and 34% respectively.

The Group reported a profit before tax of RM4.14 million for this quarter under review, which is a decrease of 47% from the preceding year corresponding quarter mainly due to higher application of fertilisers and payment of additional quit rent in arrears in quarry operation.

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

Profit before tax in this quarter under review is lower at RM4.14 million as compared to RM7.22 million in the immediate preceding quarter due to higher application of fertilisers and payment of additional quit rent in arrears in quarry operation.

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 RM1,600 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	3 months	6 months	6 months
	ended	ended	ended	ended
	30.6.2010	30.6.2009	30.6.2010	30.6.2009
	RM'000	RM'000	RM'000	RM'000
Current tax	1,679	2,365	4,096	3,845
Deferred tax	(460)	(276)	(1,063)	(711)
Total income tax expense	<u>1,219</u>	<u>2,089</u>	<u>3,033</u>	<u>3,134</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

	As at 30.6.2010 RM'000	As at 31.12.2009 RM'000
Secured		
Short term borrowings	3,579	5,519
Long term borrowings	16,950	18,157
	<u>20,529</u>	<u>23,676</u>

10. Disclosure of derivatives

There were no outstanding derivatives (including financial instruments designated as hedging instruments) as at 30 June 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 Case Management of the 1st to 4th Defendant's appeal against the Attachment Before Judgement Order before Court of Appeal scheduled for 1 July 2010 was fixed for further Case Management on 3 August 2010 to enable the Plaintiff's lawyer to file a Supplementary Record of Appeal containing the disputed Affidavits left out of the original Record of Appeal. A hearing date would be fixed thereafter.
- On 25 March 2010, the High Court Judge had directed the parties involved to assess all documents and the respective strengths of the witnesses to attempt to mediate the claim. However, the mediation date fixed for 24 June 2010 was subsequently adjourned at the request of the 1st – 4th Defendant's solicitor who had a trial to attend on the same day and was re-scheduled for Case Management on the same day. At the Case Management, the Deputy Registrar notified the parties that the Judge had instructed that the matter be fixed for trial.

The Deputy Registrar proceeded to fix the matter for trial on 8, 9, 10, 11 and 12 November 2010. The parties have been directed to comply with case management directions by 30 July 2010 and to appear before the Registrar again on 11 August 2010 for Case Management to brief the Registrar on the status of compliance.

- 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 14th-17th Defendants is fixed for hearing on 2 August 2010.

12. Dividend payable

The single tier final dividend of 1% declared on 28 April 2010, on 211,455,915 ordinary shares (excluding 4,001,000 treasury shares) amounting to RM 2,114,559 in respect of the financial year ended 31 December 2009 was paid on 20 May 2010 (2009: 1.5%).

The total dividend paid in 2010 is 1%.

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.

	Individual quarter		Cumulative quarter	
	3 months ended	3 months ended	6 months ended	6 months ended
	30.6.2010	30.6.2009	30.6.2010	30.6.2009
	RM'000	RM'000	RM'000	RM'000
Profit attributable to owners of the Company	2,774	5,492	7,971	8,419
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	1.31	2.55	3.77	3.91

(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 July 2010.