

CEPATWAWASAN GROUP BERHAD
(Company No. 536499-K)

Condensed consolidated statement of comprehensive income
For the quarter and year ended 31 December 2010

	Individual quarter		Cumulative quarter	
	3 months ended 31.12.2010	3 months ended 31.12.2009	12 months ended 31.12.2010	12 months ended 31.12.2009
	RM'000 (Unaudited)	RM'000 (Unaudited)	RM'000 (Unaudited)	RM'000 (Audited)
Revenue	76,965	49,035	231,816	164,003
Cost of sales	(61,625)	(35,718)	(185,467)	(126,752)
Gross profit	15,340	13,317	46,349	37,251
Other income	611	333	2,062	678
Distribution expenses	(1,145)	(992)	(4,459)	(3,757)
Administrative expenses	(2,926)	(3,871)	(8,309)	(7,552)
Results from operating activities	11,880	8,787	35,643	26,620
Finance income	196	127	577	553
Finance costs	(213)	(191)	(943)	(1,266)
Net finance costs	(17)	(64)	(366)	(713)
Profit before tax	11,863	8,723	35,277	25,907
Income tax expense	(3,344)	(2,961)	(9,409)	(7,893)
Profit/total comprehensive income for the period/year	8,519	5,762	25,868	18,014
Profit attributable to:				
Owners of the Company	8,285	5,660	24,883	17,421
Minority interests	234	102	985	593
Profit/total comprehensive income for the period	8,519	5,762	25,868	18,014
Earnings per share attributable to owners of the parent (sen per share)				
Basic EPS	3.92	2.66	11.77	8.12

The above 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 December 2010

	31.12.2010	31.12.2009
	RM'000	RM'000
	(Unaudited)	(Restated)
		(Audited)
ASSETS		
Property, plant and equipment	137,415	125,994
Investment properties	20,279	20,279
Land use rights	2,134	2,160
Biological assets	151,021	150,681
Intangible assets	92,088	92,088
Deferred tax assets	2,312	1,667
Other receivables	2,705	1,929
Total non-current assets	<u>407,954</u>	<u>394,798</u>
Inventories	9,245	16,371
Trade and other receivables	14,845	13,099
Tax recoverable	257	238
Short term investments	6,259	3,133
Deposits placed with licensed banks	33,096	15,141
Cash and bank balances	4,134	3,609
Total current assets	<u>67,836</u>	<u>51,591</u>
TOTAL ASSETS	<u>475,790</u>	<u>446,389</u>
EQUITY		
Equity attributable to owners of the parent		
Share capital	215,457	215,457
Treasury shares	(4,109)	(4,109)
Retained earnings	151,150	130,496
Total equity attributable to owners of the parent	<u>362,498</u>	<u>341,844</u>
Minority interests	<u>16,425</u>	<u>15,840</u>
Total equity	<u>378,923</u>	<u>357,684</u>
 LIABILITIES		
Lease rental payable	267	267
Borrowings	21,496	18,157
Deferred tax liabilities	45,585	45,856
Total non-current liabilities	<u>67,348</u>	<u>64,280</u>
Borrowings	2,946	5,519
Trade and other payables	24,336	16,755
Tax payables	2,237	2,151
Total current liabilities	<u>29,519</u>	<u>24,425</u>
Total liabilities	<u>96,867</u>	<u>88,705</u>
TOTAL EQUITY AND LIABILITIES	<u>475,790</u>	<u>446,389</u>
Net assets per share attributable to owners of the parent (RM)	1.72	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 year ended 31 December 2010

	12 months ended 31.12.2010 RM'000 (Unaudited)	12 months ended 31.12.2009 RM'000 (Audited)
Net cash generated from operating activities	44,675	22,713
Net cash used in investing activities	(17,861)	(7,159)
Net cash used in financing activities	(5,208)	(23,311)
Net increase/(decrease) in cash and cash equivalents	<u>21,606</u>	<u>(7,757)</u>
Cash and cash equivalents at beginning of financial year	21,883	29,640
Cash and cash equivalents at end of financial year	<u>43,489</u>	<u>21,883</u>

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

	As at 31.12.2010 RM'000	As at 31.12.2009 RM'000
Short term investments	6,259	3,133
Deposits placed with licensed banks	33,096	15,141
Cash and bank balances	<u>4,134</u>	<u>3,609</u>
	<u>43,489</u>	<u>21,883</u>

The above 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 twelve months ended 31 December 2010

	← Attributable to owners of the Company →				Minority Interests RM'000	Total Equity RM'000
	← Non-distributable →		Distributable			
	Share Capital RM'000	Treasury Shares RM'000	Retained Earnings RM'000	Total RM'000		
At 1 January 2009	215,457	-	118,421	333,878	15,632	349,510
Profit for the year	-	-	17,421	17,421	593	18,014
Acquisition of subsidiary	-	-	-	-	15	15
Purchase of treasury shares	-	(4,109)	-	(4,109)	-	(4,109)
Dividend paid to Minority Interests	-	-	-	-	(400)	(400)
Dividend	-	-	(5,346)	(5,346)	-	(5,346)
At 31 December 2009	<u>215,457</u>	<u>(4,109)</u>	<u>130,496</u>	<u>341,844</u>	<u>15,840</u>	<u>357,684</u>
At 1 January 2010	215,457	(4,109)	130,496	341,844	15,840	357,684
Profit for the year	-	-	24,883	24,883	985	25,868
Dividend paid to Minority Interests	-	-	-	-	(400)	(400)
Dividend	-	-	(4,229)	(4,229)	-	(4,229)
At 31 December 2010	<u>215,457</u>	<u>(4,109)</u>	<u>151,150</u>	<u>362,498</u>	<u>16,425</u>	<u>378,923</u>

The above 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
Land use rights	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 twelve months ended 31 December					
	Plantation		Oil Mill		Total	
	2010	2009	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	17,917	11,048	212,094	151,416	230,011	162,464
Inter-segment revenue	52,733	44,023	-	-	52,733	44,023
Segment profit	34,999	25,872	2,778	2,303	37,777	28,175
Segment assets	270,227	257,921	56,130	51,458	326,357	309,379
Segment liabilities	6,744	4,826	16,995	11,854	23,739	16,680

Reconciliation of reportable segment profit	2010	2009
	RM'000	RM'000
Total profit for reportable segments	37,777	28,175
Other non-reportable segments	317	(959)
Elimination of inter-segment profits	(1,012)	-
Other corporate expenses	(1,805)	(1,309)
Consolidated profit before tax	<u>35,277</u>	<u>25,907</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 interim dividend of 1% declared on 1 December 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 2010 was paid on 24 December 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 quarter ended 31 December 2010.

12. Capital commitments

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

	RM'000
Approved and contracted for	33,727
Approved but not contracted for	17,591
	<u>51,318</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 RM76.97 million, which is an increase of RM27.93 million as compared to the preceding year corresponding quarter due to higher CPO and PK prices by 42% and 115% respectively.

The Group reported a profit before tax of RM11.86 million for this quarter under review, which is an increase of 36% from the preceding year corresponding quarter mainly due to higher CPO and PK prices by 42% and 115% 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 RM11.86 million as compared to RM12.05 million in the immediate preceding quarter due to a 22% decrease in FFB production mainly due to adverse weather despite higher CPO and PK prices by 20% and 34% respectively.

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 RM3,500 and RM3,300 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 31.12.2010	3 months ended 31.12.2009	12 months ended 31.12.2010	12 months ended 31.12.2009
	RM'000	RM'000	RM'000	RM'000
Current tax	4,101	3,155	10,352	9,222
Deferred tax	(757)	(194)	(943)	(1,329)
Total income tax expense	3,344	2,961	9,409	7,893

The effective tax rate for the current quarter and the cumulative quarter ended 31 December 2010 was higher than the statutory tax rate of 25% principally due to certain expenses were disallowed for tax purposes.

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 31.12.2010 RM'000	As at 31.12.2009 RM'000
Secured		
Short term borrowings	2,946	5,519
Long term borrowings	21,496	18,157
	<u>24,442</u>	<u>23,676</u>

10. Disclosure of derivatives

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

11. Retained Earnings

	As at 31.12.2010 RM'000	As at 30.09.2010 RM'000
Realised	209,131	202,469
Unrealised	(11,482)	(11,461)
	<u>197,649</u>	<u>191,008</u>
Consolidation adjustments	(46,499)	(46,029)
Total Group retained earnings as per consolidated accounts	<u>151,150</u>	<u>144,979</u>

12. 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 Deputy Registrar has fixed the case for mediation and has directed the parties to appear before the Judge for the purpose.

Pursuant thereto, the parties have resolved the suit and recorded a Consent Judgment before the High Court Judge on 29.10.2010 containing the various terms and conditions of the final settlement agreed to by all parties to the suit. The 1st tranche of the settlement payment has since been effected and the Company is currently awaiting the 2nd and 3rd(final) tranches which are due and payable within 6 months.

13. Dividend payable

The single tier interim dividend of 1% declared on 1 December 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 2010 was paid on 24 December 2010.(2009:1%)

The total dividend paid in 2010 is 2%.(2009:2.5%)

14. 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	3 months	12 months	12 months
	ended	ended	ended	ended
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
	RM'000	RM'000	RM'000	RM'000
Profit attributable to owners of the parent	8,285	5,660	24,883	17,421
Weighted average number of Ordinary shares in issue ('000)	211,456	213,179	211,456	214,609
Basic earnings per share (sen) for: Profit for the period	3.92	2.66	11.77	8.12

(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.

15. 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 23 February 2011.