

**CEPATWAWASAN GROUP BERHAD**

(Company No. 536499-K)

**Condensed consolidated statement of comprehensive income  
For the quarter and month ended 30 June 2011**

	Individual quarter		Cumulative quarter	
	3 months ended 30.06.2011 RM'000 (Unaudited)	3 months ended 30.06.2010 RM'000 (Unaudited)	6 months ended 30.06.2011 RM'000 (Unaudited)	6 months ended 30.06.2010 RM'000 (Unaudited)
Revenue	79,327	49,731	139,833	98,871
Cost of sales	(58,724)	(42,580)	(106,690)	(81,900)
<b>Gross profit</b>	<b>20,603</b>	<b>7,151</b>	<b>33,143</b>	<b>16,971</b>
Other income	1,238	207	1,762	543
Distribution expenses	(1,124)	(1,139)	(1,889)	(2,296)
Administrative expenses	(1,531)	(1,964)	(2,849)	(3,607)
<b>Results from operating activities</b>	<b>19,186</b>	<b>4,255</b>	<b>30,167</b>	<b>11,611</b>
Finance income	163	134	342	242
Finance costs	(112)	(248)	(244)	(487)
<b>Net finance costs</b>	<b>51</b>	<b>(114)</b>	<b>98</b>	<b>(245)</b>
<b>Profit before tax</b>	<b>19,237</b>	<b>4,141</b>	<b>30,265</b>	<b>11,366</b>
Income tax expense	(4,826)	(1,219)	(7,299)	(3,033)
<b>Profit/total comprehensive income for the period</b>	<b>14,411</b>	<b>2,922</b>	<b>22,966</b>	<b>8,333</b>
<b>Profit attributable to:</b>				
Owners of the parent	13,555	2,774	21,707	7,971
Minority interests	856	148	1,259	362
<b>Profit/total comprehensive income for the period</b>	<b>14,411</b>	<b>2,922</b>	<b>22,966</b>	<b>8,333</b>
<b>Earnings per share attributable to owners of the parent (sen per share)</b>				
Basic EPS	6.42	1.31	10.37	3.77

The above condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2010 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 2011**

	<b>30.06.2011</b>	<b>31.12.2010</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>ASSETS</b>		
Property, plant and equipment	149,541	137,415
Biological assets	151,281	151,021
Investment properties	20,279	20,279
Intangible assets	92,088	92,088
Land use rights	2,122	2,134
Deferred tax assets	2,097	2,312
Other receivables	6,593	2,705
<b>Total non-current assets</b>	<b>424,001</b>	<b>407,954</b>
Inventories	10,744	9,245
Trade and other receivables	15,610	14,806
Tax recoverable	245	257
Short term investments	6,821	6,259
Deposits placed with licensed banks	18,176	33,096
Cash and bank balances	16,579	4,133
<b>Total current assets</b>	<b>68,175</b>	<b>67,796</b>
<b>TOTAL ASSETS</b>	<b>492,176</b>	<b>475,750</b>
<b>EQUITY</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	215,457	215,457
Treasury shares	(8,884)	(4,109)
Retained earnings	168,708	151,149
<b>Total equity attributable to owners of the parent</b>	<b>375,281</b>	<b>362,497</b>
<b>Minority interests</b>	<b>17,084</b>	<b>16,425</b>
<b>Total equity</b>	<b>392,365</b>	<b>378,922</b>
<b>LIABILITIES</b>		
Lease rental payable	267	267
Borrowings	26,127	21,496
Deferred tax liabilities	45,386	45,585
<b>Total non-current liabilities</b>	<b>71,780</b>	<b>67,348</b>
Borrowings	2,970	2,946
Trade and other payables	21,909	24,297
Income tax payables	3,152	2,237
<b>Total current liabilities</b>	<b>28,031</b>	<b>29,480</b>
<b>Total liabilities</b>	<b>99,811</b>	<b>96,828</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>492,176</b>	<b>475,750</b>
<b>Net assets per share attributable to owners of the parent (RM)</b>	<b>1.81</b>	<b>1.71</b>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2010 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 2011**

	<b>6 months ended 30.06.2011 RM'000 (Unaudited)</b>	<b>6 months ended 30.06.2010 RM'000 (Unaudited)</b>
Net cash generated from operating activities	17,905	20,694
Net cash used in investing activities	(13,557)	(5,773)
Net cash used in financing activities	(6,261)	(6,466)
Net (decrease)/increase in cash and cash equivalents	<u>(1,913)</u>	<u>8,455</u>
Cash and cash equivalents at beginning of financial period	43,489	21,883
Cash and cash equivalents at end of financial period	<u>41,576</u>	<u>30,338</u>

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

	<b>As at 30.06.2011 RM'000</b>	<b>As at 30.06.2010 RM'000</b>
Short term investments	6,821	4,244
Deposits placed with licensed banks	18,176	18,965
Cash and bank balances	<u>16,579</u>	<u>7,129</u>
	<u>41,576</u>	<u>30,338</u>

The above condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2010 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 2011**

	← Attributable to owners of the parent →			Total	Minority Interests	Total Equity
	← Non-distributable →	→ Distributable				
	Share Capital	Treasury Shares	Retained Earnings			
	RM'000	RM'000	RM'000	RM'000	RM'000	
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 Interests	-	-	-	-	(400)	(400)
Dividend	-	-	(2,115)	(2,115)	-	(2,115)
At 30 June 2010	<u>215,457</u>	<u>(4,109)</u>	<u>136,352</u>	<u>347,700</u>	<u>15,802</u>	<u>363,502</u>
At 1 January 2011	215,457	(4,109)	151,150	362,498	16,425	378,923
Profit for the period	-	-	21,707	21,707	1,259	22,966
Purchase of treasury shares	-	(4,775)	-	(4,775)	-	(4,775)
Dividend paid to Minority Interests	-	-	-	-	(600)	(600)
Dividend	-	-	(4,149)	(4,149)	-	(4,149)
At 30 June 2011	<u>215,457</u>	<u>(8,884)</u>	<u>168,708</u>	<u>375,281</u>	<u>17,084</u>	<u>392,365</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 2010 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 2010.

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 2010. 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 2010.

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 2010, except for the adoption of the following:

Effective for financial periods beginning on or after 1 March 2010:

Amendments to FRS 132: Financial Instruments: Presentation (paragraphs 11, 16 and 97E relating to classification of Right Issues)

Effective for financial periods beginning on or after 1 July 2010:

FRS 1: First-time Adoption of Financial Reporting Standards

FRS 3: Business Combinations (revised)

Amendments to FRS 2: Share-based Payment

Amendments to FRS 5: Non-current Assets Held for Sale and Discontinued Operations

Amendments to FRS 127: Consolidated and Separate Financial Statements

Amendments to FRS 138: Intangible Assets

Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives

IC Interpretation 12: Service Concession Arrangements

IC Interpretation 16: Hedges of a Net Investment in a Foreign Operation

IC Interpretation 17: Distributions of Non-cash Assets to Owners

Effective for financial periods beginning on or after 31 August 2010:

Amendments to IC Interpretation 15: Agreements for the Construction of Real Estate

Effective for financial periods beginning on or after 1 January 2011:

Amendments to FRS 1: Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters

Amendments to FRS 1: Additional Exemptions for First-time Adopters

Amendments to FRS 2: Group Cash - Settled Share-based Payment Transactions

Amendments to FRS 7: Improving Disclosures about Financial Instruments

IC Interpretation 4 : Determining whether an Arrangement Contains a Lease

IC Interpretation 18: Transfer of Assets from Customers

Technical Release 3: Guidance on Disclosures of Transition to IRFSs

## 2. Changes in accounting policies (Contd.)

The Malaysian Accounting Standards Board also issued “Improvements to FRSs (2010)” which contain amendments to eleven FRSs and are effective for financial periods beginning on or after 1 January 2011.

Unless otherwise described below, the above pronouncements are expected to have no significant impact to the financial statements of the Group and the Company upon their initial application:

### Revised FRS 3 Business Combinations and Amendments to FRS 127 Consolidated and Separate Financial Statements

The revised standards are effective for annual periods beginning on or after 1 July 2010. The revised FRS 3 introduces a number of changes in the accounting for business combinations occurring after 1 July 2010. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. The Amendments to FRS 127 require that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will they give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Other consequential amendments have been made to FRS 107 *Statement of Cash Flows*, FRS 112 *Income Taxes*, FRS 121 *The Effects of Changes in Foreign Exchange Rates*, FRS 128 *Investments in Associates* and FRS 131 *Interests in Joint Ventures*. The changes from revised FRS 3 and Amendments to FRS 127 will affect future acquisitions or loss of control and transactions with minority interests. The standards may be early adopted. However, the Group does not intend to early adopt.

## 3. Auditors’ report on preceding annual financial statements

The auditors’ report on the financial statements of the Group for the year ended 31 December 2010 was not qualified.

## 4. Segmental information

The Group has two reportable segments, as described below, which are the Group’s strategic 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:

- a. Plantation - Cultivation of oil palm
- b. Oil Mill - Milling and sales of oil palm products

## Information about reportable segments

	For the Six months ended 30 June					
	Plantation		Oil Mill		Total	
	2011	2010	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>External revenue</b>	18,695	6,816	119,844	91,033	138,539	97,849
<b>Inter-segment revenue</b>	28,060	22,593	-	-	28,060	22,593
<b>Segment profit</b>	29,431	12,071	1,393	1,129	30,824	13,200
<b>Segment assets</b>	274,945	264,543	52,214	41,269	327,159	305,812
<b>Segment liabilities</b>	6,730	8,286	17,429	8,458	24,159	16,744

<b>Reconciliation of reportable segment profit</b>	<b>2011</b>	<b>2010</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Total profit for reportable segments</b>	30,824	13,200
<b>Other non-reportable segments</b>	168	(143)
<b>Elimination of inter-segment profits</b>	(282)	(638)
<b>Other corporate expenses</b>	(445)	(1,053)
<b>Consolidated profit before tax</b>	<u>30,265</u>	<u>11,366</u>

### 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 2% declared on 27 April 2011, on 207,478,615 ordinary shares (excluding 7,978,300 treasury shares) amounting to RM 4,149,572 in respect of the financial year ended 31 December 2010 was paid on 25 May 2011.

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 2010.

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 financial period ended 30 June 2011, the Company repurchased 3,977,300 of its issued ordinary shares from the open market at an average price of RM1.20 per share. The total consideration paid for the purchase including transaction costs was RM4,774,913. 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 financial period ended 30 June 2011.

11. Changes in composition of the Group

There were no changes in the composition of the Group during the current quarter ended 30 June 2011.

12. Capital commitments

The amount of capital commitments not provided for in the unaudited interim financial statements as at 30 June 2011 is as follows:

	<b>RM'000</b>
Approved and contracted for	69,268
Approved but not contracted for	41,019
	<u><b>110,287</b></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 2010.

14. Subsequent event

On 12 July 2011, the Company proposes to undertake a bonus issue of up to 107,728,458 new CGB Shares of RM 1 each to be credited as fully paid-up on the basis of one (1) Bonus Share for every two (2) existing CGB Shares held on an entitlement date to be determined later.

Barring any unforeseen circumstances and subject to all required approvals being obtained, the Board expects the Proposed Bonus Issue to be completed by the third quarter of 2011.



**Information required by BMSB Listing Requirements**

1. Review of performance

For this quarter under review, the Group recorded a revenue of RM 79.33 million, which is an increase of RM 29.60 million as compared to the preceding year corresponding quarter due to higher CPO and PK prices by 32% and 68% respectively and a 35% increase in FFB production.

The Group reported a profit before tax of RM 19.24 million for this quarter under review, which is an increase of 365% from the preceding year corresponding quarter mainly due to higher CPO and PK prices by 32% and 68% respectively and a 35% increase in FFB production.

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

Profit before tax in this quarter under review is higher at RM 19.24 million as compared to RM11.86 million in the immediate preceding quarter due to a 47% increase in FFB production despite a lower CPO and PK prices by 9% and 14% respectively.

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 RM3,100 and RM1,900 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</b>	<b>3 months</b>	<b>6 months</b>	<b>6 months</b>
	<b>ended</b>	<b>ended</b>	<b>ended</b>	<b>ended</b>
	<b>30.06.2011</b>	<b>30.06.2010</b>	<b>30.06.2011</b>	<b>30.06.2010</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Current tax	4,425	1,679	7,283	4,096
Deferred tax	401	(460)	16	(1,063)
Total income tax expense	<u>4,826</u>	<u>1,219</u>	<u>7,299</u>	<u>3,033</u>

The effective tax rate for the current quarter and the cumulative quarter ended 30 June 2011 was in line with the statutory tax rate as reported. Income tax is calculated at statutory tax rate of 25% (2010: 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 30.06.2011 RM'000</b>	<b>As at 31.12.2010 RM'000</b>
<b>Secured</b>		
Short term borrowings	2,970	2,946
Long term borrowings	26,127	21,496
	<u>29,097</u>	<u>24,442</u>

10. Disclosure of derivatives

There were no outstanding derivatives (including financial instruments designated as hedging instruments) as at 30 June 2011.

11. Retained Earnings

	<b>As at 30.06.2011 RM'000</b>	<b>As at 31.12.2010 RM'000</b>
Realised	227,966	209,131
Unrealised	(11,329)	(11,483)
	<u>216,637</u>	<u>197,648</u>
Consolidation adjustments	(47,929)	(46,499)
<b>Total Group retained earnings as per consolidated accounts</b>	<u><u>168,708</u></u>	<u><u>151,149</u></u>

12. Dividend payable

The single tier final dividend of 2% declared on 27 April 2011, on 207,478,615 ordinary shares (excluding 7,978,300 treasury shares) amounting to RM 4,149,572 in respect of the financial year ended 31 December 2010 was paid on 25 May 2011 (2010: 1%).

The total dividend paid in 2011 is 2%.

### 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</b>	<b>3 months</b>	<b>6 months</b>	<b>6 months</b>
	<b>ended</b>	<b>ended</b>	<b>ended</b>	<b>ended</b>
	<b>30.06.2011</b>	<b>30.06.2010</b>	<b>30.06.2011</b>	<b>30.6.2010</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit attributable to owners of the parent	13,555	2,774	21,707	7,971
Weighted average number of Ordinary shares in issue ('000)	210,977	211,456	209,242	211,456
Basic earnings per share (sen) for: Profit for the period	6.42	1.31	10.37	3.77

#### (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 27 July 2011.