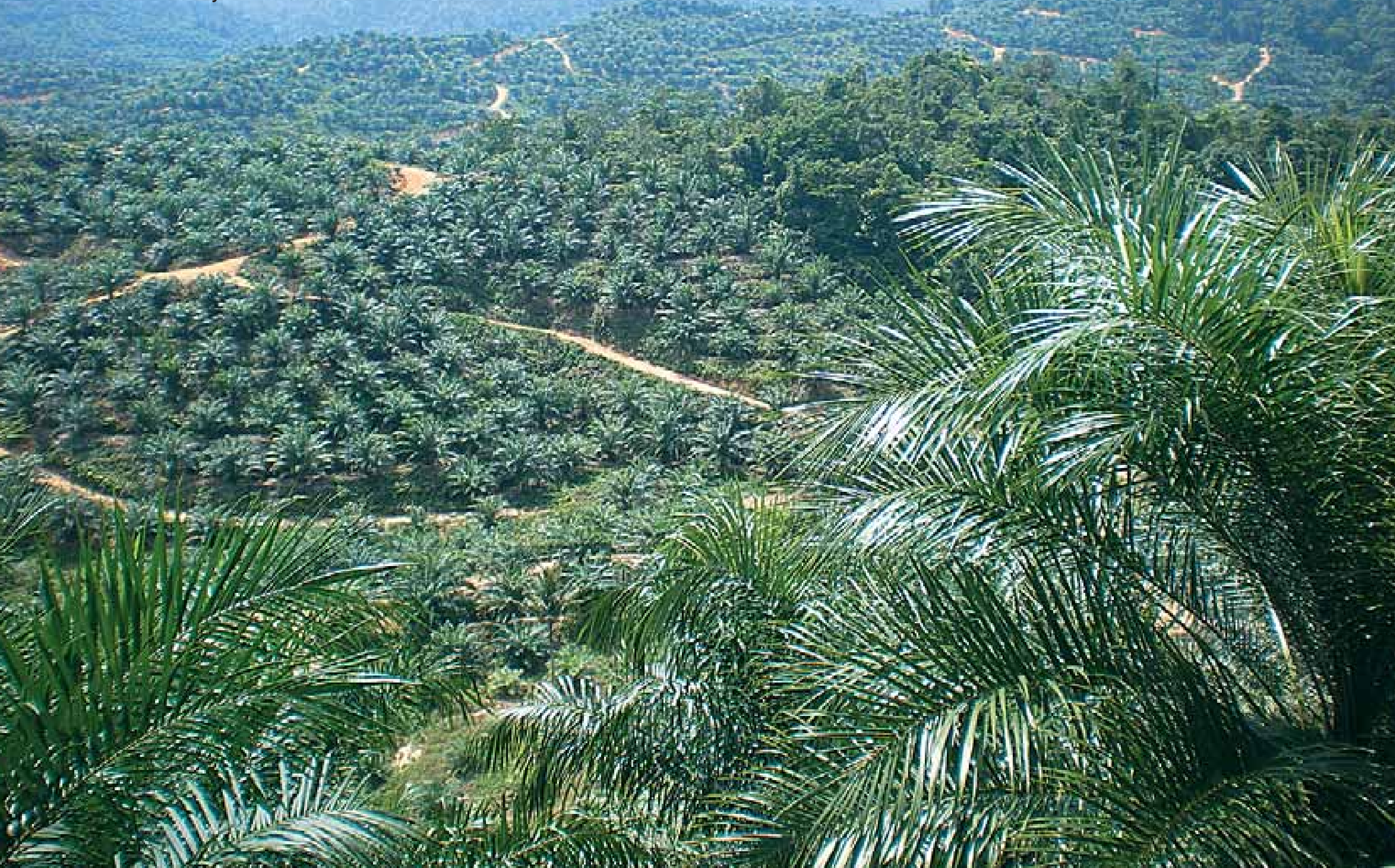
CEPATWAWASAN GROUP BERHAD

(Company No: 536499-K)

Annual Report 2009

Contents



Notice of the Tenth Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Tenth Annual General Meeting of the Company will be held at Executive Parlour (6th Floor), Sabah Hotel Sandakan, KM 1, Jalan Utara, Sandakan, Sabah on Wednesday, 28 April 2010 at 10.30 a.m. for the following business:

AGENDA	Resolution No.
1. To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2009 together with the Directors' and Auditors' Reports thereon.	
2. To approve the payment of a single tier final dividend of 1% in respect of the financial year ended 31 December 2009.	1
3. To re-elect Mr. Tan Ah Seng retiring in accordance with Article 76 of the Company's Articles of Association.	2
4. To re-elect Mr. Chua Kim Yin retiring in accordance with Article 76 of the Company's Articles of Association.	3
5. To appoint Messrs Ernst & Young as Auditors of the Company for the ensuring year and to authorise the Directors to fix their remuneration.	4
6. As Special Business to consider and if thought fit, to pass the following Ordinary Resolutions, with or without modifications:	

ORDINARY RESOLUTION 1
- AUTHORITY TO ISSUE SHARES

"THAT subject always to the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby authorised pursuant to Section 132D of the Companies Act, 1965 to issue shares in the Company at any time until the conclusion of the next Annual General Meeting upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued pursuant to this Resolution does not exceed 10% of the issued share capital of the Company for the time being." 5

ORDINARY RESOLUTION 2
- PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

"THAT subject to the Companies Act, 1965 ("Act"), provisions of the Company's Memorandum and Articles of Association and the requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and any other relevant authorities, and other relevant approvals, the Directors of the Company be and are hereby authorised to purchase the Company's ordinary shares of RM1.00 each ("Shares") through Bursa Securities, subject to the following:

(a) The maximum number of Shares which may be purchased by the Company shall not exceed ten per centum (10%) of the issued and paid-up ordinary share capital of the Company at any point in time;

Resolution No.

(b) The maximum fund to be allocated by the Company for the purpose of purchasing its shares shall not exceed the retained profits and share premium accounts of the Company;

(c) The authority conferred by this resolution will be effective upon passing of this resolution and will continue in force until:-

(i) the conclusion of the next Annual General Meeting ("AGM") of the Company following the AGM at which this resolution was passed, at which time the authority shall lapse, unless the authority is renewed by an ordinary resolution passed at the next AGM; or

(ii) the expiry of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extensions as may be allowed pursuant to Section 143(2) of the Act); or

(iii) the authority is revoked or varied by an ordinary resolution passed by the shareholders in a general meeting;

whichever occurs first;

(d) Upon completion of the purchase(s) of the Shares by the Company, the Shares shall be dealt with in the following manner:-

(i) cancel the Shares so purchased; or
(ii) retain the Shares so purchased as treasury shares; or
(iii) retain part of the Shares so purchased as treasury shares and/or cancel the remainder; or
(iv) distribute the treasury shares as dividends to shareholders; or
(v) resell the Treasury Shares on Bursa Securities in accordance with the relevant rules of Bursa Securities.

THAT the Directors of the Company be and are hereby authorised to take all such steps and enter into all agreements, arrangements and guarantees with any party or parties as are necessary to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time to implement or to effect the purchase of its own shares." 6

7. To transact any other business for which due notice shall have been given.

BY ORDER OF THE BOARD
KANG SHEW MENG
SEOW FEI SAN
Secretaries

Petaling Jaya
5 April 2010

Notes:-

(i) Proxy

(a) A proxy may but need not be a member of the Company and if the proxy is not a member of the Company, the proxy shall be an advocate or an approved company auditor or a person approved by the Registrar of Companies.
(b) To be valid this form duly completed must be deposited at the Company's Share Registrar's Office at Tricor Investor Services Sdn. Bhd., Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, not less than forty-eight (48) hours before the time for holding the meeting.
(c) A member shall be entitled to appoint more than one (1) proxy (subject always to a maximum of two (2) proxies at each meeting) to attend and vote at the same meeting.
(d) Where a member appoints more than one (1) proxy (subject always to a maximum of two (2) proxies at each meeting) the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
(e) If the appointer is a corporation, the Form of Proxy must be executed under its seal or under the hand of its attorney.
(f) Form of Proxy sent through facsimile transmission shall not be accepted.

(ii) Explanatory Note on Special Business

* Resolution No. 5

The proposed Ordinary Resolution 5, if passed, will empower the Directors of the Company to issue and allot not more than 10% of the issued share capital of the Company subject to the approvals of all the relevant governmental and/or other regulatory bodies and for such purposes as the Directors consider would be in the interest of the Company. This authorisation will, unless revoked or varied by the Company in a general meeting, expire at the next Annual General Meeting of the Company.

As at the date of this Notice, no new shares in the Company were issued pursuant to the authority granted to the Directors at the Ninth Annual General Meeting held on 27 April 2009 and which will lapse at the conclusion of the Tenth Annual General Meeting.

The authority will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.

* Resolution No. 6

The proposed Ordinary Resolution 6, if passed, will empower the Directors of the Company to continue to purchase the Company's shares up to ten percent (10%) of the issued and paid-up share capital of the Company ("Proposed Share Buy-Back") by utilising the funds allocated which shall not exceed the total retained earnings and share premium account of the Company. Further information on the Proposed Renewal of the Share Buy-Back Authority is set out in the Share Buy-Back Statement dated 5 April 2010, which is despatched together with Company's Annual Report 2009.

Corporate Information

BOARD OF DIRECTORS

Executive Chairman
Dato' Mah King Thian @ Mah King Thiam

Managing Director
Dato' Mah King Seng

Executive Director
Tan Ah Seng

Independent & Non-Executive Directors
Chua Kim Yin
Chan Kam Leong
Choong Pak Wan

AUDIT COMMITTEE
Chua Kim Yin *(Chairman)*
Chan Kam Leong *(Member)*
Choong Pak Wan *(Member)*

EXECUTIVE COMMITTEE
Dato' Mah King Seng *(Chairman)*
Dato' Mah King Thian
@ Mah King Thiam *(Member)*
Tan Ah Seng *(Member)*

REMUNERATION COMMITTEE
Dato' Mah King Thian
@ Mah King Thiam *(Chairman)*
Chua Kim Yin *(Member)*
Chan Kam Leong *(Member)*

NOMINATION COMMITTEE
Chua Kim Yin *(Chairman)*
Chan Kam Leong *(Member)*
Choong Pak Wan *(Member)*

COMPANY SECRETARIES
Kang Shew Meng *(MAICSA 0778565)*
Seow Fei San *(MAICSA 7009732)*

REGISTERED OFFICE
Lot 70, Block 6, Prima Square
Mile 4, North Road
90000 Sandakan, Sabah
Tel: 089-272773
Fax: 089-272772, 220881,
221494
E-mail: pa@cepatgroup.com.my
Website: www.cepatgroup.com

AUDITORS
Ernst & Young
16th Floor
Wisma Khoo Siak Chiew
Jalan Buli Sim Sim
90000 Sandakan, Sabah
Tel: 089-217266
Fax: 089-272002

SHARE REGISTRAR
Tricor Investor Services Sdn Bhd
Level 17, The Gardens North Tower,
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel: 03-22643883
Fax: 03-22821886

PRINCIPAL BANKERS
Alliance Bank Malaysia Berhad
Hong Leong Bank Berhad
Malayan Banking Berhad
RHB Bank Berhad
Public Bank Berhad

STOCK EXCHANGE LISTING
Main Market of Bursa Malaysia
Securities Berhad

Profile of Board of Directors

DATO' MAH KING THIAN @ MAH KING THIAM
Malaysian aged 46
Executive Director/Chairman

Dato' Mah King Thian @ Mah King Thiam was appointed as a Director and Chairman of the Company on 27 October 2005 and 31 October 2005 respectively. He is also a member of the Executive Committee and the Chairman of the Remuneration Committee.

He graduated from Monash University, Australia with a Bachelor of Economics Degree, majoring in Accounting in 1986 and also a Bachelor of Laws Degree in 1987. He was subsequently admitted and enrolled as an Advocate and Solicitor of the High Court of Malaya in 1989. He is also a Fellow Member of Certified Practising Accountant Australia (FCPA). He is the Managing Director of MHC Plantations Bhd and a Director of Anson Oil Industries Berhad, both public companies, and also a Director of Behrang 2020 Sdn Bhd and several other private limited companies.

Dato' Mah King Thian @ Mah King Thiam is deemed connected to MHC Plantations Bhd and Yew Lee Holdings Sdn. Berhad, two of the substantial shareholders of the Company. He is the younger brother of Dato' Mah King Seng, the Managing Director of the Company and he has no conviction for offences within the past ten (10) years.

DATO' MAH KING SENG
Malaysian aged 51
Managing Director

Dato' Mah King Seng was appointed as a Director and Managing Director of the Company on 27 October 2005 and 27 February 2008 respectively. He is the Chairman of the Executive Committee.

He graduated from University of Minnesota, United States of America with a degree in Agricultural Science in 1978. In 1980, he attended the Palm Oil Mill Engineer/Executive Training course on palm oil mill operations organised by the Malaysian Oil Palm Growers Council. He subsequently obtained his Bachelor of Laws Degree in 1985 from the University of Buckingham, United Kingdom and was admitted and enrolled as an Advocate and Solicitor of the High Court of Malaya in 1990. He is the Executive Chairman of MHC Plantations Berhad and a Director of Anson Oil Industries Berhad, both public companies, and also a Director of Behrang 2020 Sdn Bhd and several other private limited companies.

Dato' Mah King Seng is deemed connected to MHC Plantations Bhd and Yew Lee Holdings Sdn. Berhad, two of the substantial shareholders of the Company. He is the elder brother of Dato' Mah King Thian @ Mah King Thiam, the Executive Director/Chairman of the Company and he has no conviction for offences within the past ten (10) years.

TAN AH SENG
Malaysian aged 62
Executive Director

Mr. Tan Ah Seng was appointed as a Director of the Company on 21 July 2005. He is also a member of the Executive Committee.

He started his career as a laboratory assistant in the Entomology Division, Ministry of Agriculture in 1966. Then in 1967, he went for further education in Britannia Royal Naval College in United Kingdom. Upon returning from United Kingdom, he joined the Royal Malaysian Navy as Short Service Commission Officer for eight (8) years. He left the Royal Malaysian Navy and started his career in the plantation industry in 1975 with SOCFIN Company Berhad. In 1995, he attended the Corporate and Executive Development Course at Sundridge Park in United Kingdom. He has more than thirty (30) years of experience in the plantation industry.

He is a member of the Incorporated Society of Planters since 1975. Prior to joining the Company, he was the Plantation Controller of IOI Corporation Berhad for Sandakan Regional Office in Sabah.

He has no family relationship with any directors and/or major shareholders of the Company and he has no conviction for offences within the past ten (10) years.

CHUA KIM YIN (JP)
Malaysian aged 48
Independent Non-Executive Director

Mr. Chua Kim Yin was appointed as an Independent Non-Executive Director of the Company on 21 July 2005 and he is the Chairman of both the Audit Committee and Nomination Committee. He is also a member of the Remuneration Committee. Mr. Chua was appointed a Justice of The Peace (JP) by Yang Di-Pertua Negeri Sabah in September 1996.

He obtained his Bachelor of Economics (Accounting) in 1984 and Bachelor of Laws in 1986 from Monash University, Victoria, Australia. He was then admitted to practice as a Barrister and Solicitor of the Supreme Court of Victoria, Australia in 1987. A year later, he was admitted as an Advocate of the High Court in Borneo, in the State of Sabah. He is currently a partner in the legal firm, Messrs RCK & Co. in Kota Kinabalu, Sabah. He is also an Associate Member of Certified Practising Accountant Australia.

He has no family relationship with any directors and/or major shareholders of the Company and he has no conviction for offences within the past ten (10) years.

Chan Kam Leong
Malaysian aged 69
Independent Non-Executive Director

Mr. Chan Kam Leong was appointed as an Independent Non-Executive Director of the Company on 2 May 2008. He is a member of the Audit Committee, Remuneration Committee and Nomination Committee.

He holds the qualifications of BSc (Eng), MSc (Construction Management) and Professional Engineer, Malaysia as well as Chartered Engineer, United Kingdom (UK). He is also members of The Institution of Civil Engineers, UK, The Institution of Structural Engineers, UK, The Institution of Engineers, Malaysia (IEM) and The Association of Consulting Engineers, Malaysia.

He has three years working experience in Singapore and three and a half years working experience in London before founding K.L. Chan & Associates of which he is presently a partner. He has more than thirty one years experience in civil and structural engineering consultancy. He was also the winner of the TAN SRI HJ. YUSOFF PRIZE in 2007 for publishing an outstanding paper in the IEM Journal.

He is a Director of MHC Plantations Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad.

He has no family relationship with any directors and/or major shareholders of the Company and he has no conviction for offences within the past ten (10) years.

Choong Pak Wan
Malaysian aged 65
Independent Non-Executive Director

Mr. Choong Pak Wan was appointed as an Independent Non-Executive Director of the Company on 25 February 2009. He is a member of the Audit Committee and Nomination Committee.

He is a Project Director in an established architect firm in Ipoh. He has more than 40 years experience in the property development and construction industries, mainly in development planning, project feasibility study and implementation. He also acts as adviser and is a director in various development companies namely AI Archi-Management Sdn Bhd, MC Square Sdn Bhd, CNT Builders Sdn Bhd and Simpulai Land Sdn Bhd.

He has no family relationship with any directors and/or major shareholders of the Company and he has no conviction for offences within the past ten (10) years.

Group Structure

CEPATWAWASAN GROUP BERHAD
(Company No: 536499-K)

- 100% Sungguh Mulia Sdn Bhd
- 100% Prima Semasa Sdn Bhd
- 100% Bakara Sdn Bhd
- 100% Libarran Island Resort Sdn Bhd
  - 100% Minelink Sdn Bhd
- 100% Kovusak Sdn Bhd
- 100% Sri Likas Mewah Sdn Bhd
  - 100% Ultisearch Trading Sdn Bhd
- 100% Razijaya Sdn Bhd
- 100% Wong Tet-Jung Plantations Sdn Bhd
- 100% Syarikat Melabau Sdn Bhd
  - 70% Swifturn Sdn Bhd
  - 100% Gelang Usaha Sdn Bhd
  - 100% Suara Baru Sdn Bhd
- 100% Cepatwawasan Sdn Bhd
  - 100% Jutategak Sdn Bhd
  - 100% Liga Semarak Sdn Bhd
  - 100% Tentu Cergas Sdn Bhd
  - 100% Tentu Bernas Sdn Bhd
  - 51% Prolific Yield Sdn Bhd
- 49% Prolific Yield Sdn Bhd
- 100% Ayu Sempurna Sdn Bhd
  - 60% Ladang Cepat-KPD Sdn Bhd
- 100% Cash Nexus (M) Sdn Bhd
  - 70% Mistral Engineering Sdn Bhd
  - 70% Cash Horse (M) Sdn Bhd

Legend:
- Palm oil mill / plantation
- Plantation
- Plantation / Quarry
- Investment holding
- Intended for power generation and selling Certified Emission Reduction

Chairman's Statement

On behalf of the Board of Directors, I am pleased to present to you the Annual Report of the Company and its subsidiaries ("Group") for the financial year ended 31 December 2009.

Group Performance

The Group recorded a revenue of RM 164.00 million and profit after tax of RM 18.01 million as compared to RM 246.96 million and RM 41.51 million respectively in the previous financial year.

The decreases in revenue and profit after tax were mainly due to the drastic decline in the average prices of Crude Palm Oil ("CPO") and Palm Kernel ("PK") and a drop in the production of Fresh Fruit Bunches ("FFB") mainly because of biological tree stress that has made pollination difficult and hence, contributed to lower yields. As such, the Group's net earnings per share decreased from 18.52 sen previously to 8.12 sen. However, net tangible assets per share attributable to ordinary equity holders of the parent increased from 155 sen to 159 sen.

The Group's plantations produced 133,044 Metric Tonnes ("MT") of FFB at an average FFB yield of 17.19 MT per hectare. This includes the newly matured area of 1,946 Hectares from the Paitan Division.

The Group's Palm Oil Mill produced 64,585 MT of CPO at an average Oil Extraction Rate of 20.53% and 15,585 MT of PK at an average Kernel Extraction Rate of 4.95%. During the financial year, CPO was sold at an average price of RM2,175 per MT whereas PK was sold at an average price of RM973 per MT.

Dividend

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

At the forthcoming Annual General Meeting, a single tier final dividend in respect of the financial year ended 31 December 2009, of 1% on 211,455,915 ordinary shares, amounting to a dividend payable of RM 2,114,559 will be proposed for your approval.

Share Buy-Back

During the financial year, the Company repurchased 4,001,000 of its own issued ordinary shares from the open market at an average price of RM1.02 per share. Total consideration paid for the shares including transaction costs was RM4,108,604 and it was financed by internally generated funds. The shares 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 year.

Prospects

Strong demand from China and India, the world's biggest edible oil consumers, as well as supply tightness in soybean have helped CPO prices to more than double over the last decade. Bullish crude oil prices over the last few years have also boosted the prices of CPO as an alternative feedstock for biofuel. In the aftermath of the 2008 global financial crisis, strong rallies in key commodities have occurred towards the end of 2009. In view of all these developments, your Board is confident that CPO would continue to trade favourably in the current financial year ending 31 December 2010.

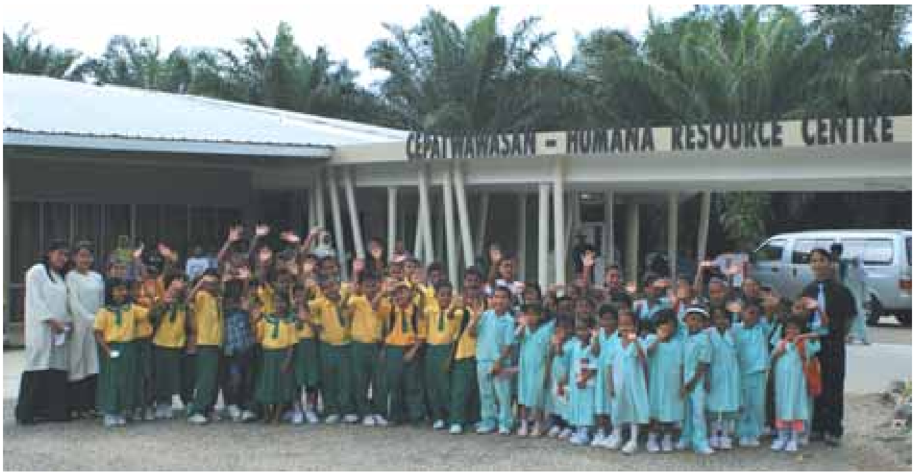
CPO prices are already trading currently at above RM 2,500 per MT and , according to many analysts, would likely trade up to RM2,800 per MT. Thus, the Group expects higher profits in the current financial year ending 31 December 2010 as it strives to maintain its low operating cost and gearing. Moreover, about 25% of the Group's total planted area has matured in 2008 and 2009 and this will significantly enhance the Group's productivity in 2010. The remaining 75% comprises mainly trees in their prime age between 8 to 16 years.

The Group also expects positive contributions from its bio-energy projects after 2010.

Corporate Social Responsibility ("CSR")

The Cepatwawasan-Humana Education Resource Center ("CERC") at Segaliud in Kinabatangan, Sabah was completed in September 2009. The Group has appointed Humana Child Aid Society of Sabah ("Humana"), a non-profit non-governmental organisation to coordinate, operate and manage the CERC. Total cost of the Center is about RM1 million, which is inclusive of land, land preparation, building, staff quarter, infrastructure, library, computer room, furniture and fixtures. The cost of the building alone is RM 723,000.

Under Humana, the Center commenced operation in October 2009 and, currently, it provides supporting classes in the field of Bahasa Malaysia, Mathematics, Science, English and Information Technology (IT) for around 70 local children, mainly "Orang Sungai". Facilities include a library, a play corner, study rooms, an outdoor playground and a field. There is room for future expansion to benefit more local children.



Acknowledgement

I wish to thank our Management and Staff for their dedicated services and immense contributions during the year.

To all our valued suppliers, customers, bankers, business associates and advisers, thank you very much for your loyalty and commitment to the Group.

And finally, to all of you, please accept my heartfelt thanks for your unwavering and continuous support. May I wish you all a very successful and prosperous year ahead.

Dato' Mah King Thian @ Mah King Thiam
Executive Chairman

Corporate Governance Statement

The Board of Directors (the 'Board') of Cepatwawasan Group Berhad (the 'Company') is pleased to present to the shareholders a report on the manner in which the Company has applied the principles and the extent of compliance with the Best Practices of Corporate Governance as contained in the Malaysian Code on Corporate Governance pursuant to paragraph 15.25 of Bursa Malaysia Securities Berhad Main Market Listing Requirements ('Listing Requirements').

The Board recognises that the exercise of good Corporate Governance is a pre-requisite towards the continuing success of the Company as well as safeguarding and enhancing shareholders' value and protecting the interest of other stakeholders.

1. Directors

1.1 Board Composition

The Board currently consists of six Directors as at the date of this report:-

Executive Director/Chairman
Dato' Mah King Thian @ Mah King Thiam

Managing Director
Dato' Mah King Seng

Executive Director
Mr. Tan Ah Seng

Independent Non-Executive Directors
Mr. Chua Kim Yin
Mr. Chan Kam Leong
Mr. Choong Pak Wan

The Chairman, Managing Director and Executive Director have many years of experience in the operations of plantations and palm oil mill. The Non-Executive Directors have extensive experience in commercial and corporate finance. The Independent Directors are actively involved in the Board Meetings and the meetings of the various Board Committees and provide unbiased and independent judgement into all deliberations.

The roles of the Chairman, the Managing Director and the Executive Director are separate and each has a clearly accepted division of responsibilities to ensure a balance of power and authority. The Chairman is responsible for the orderly conduct and working of the Board while the Managing Director has overall responsibilities in the implementation of Board policies and decisions. The Executive Director is primarily responsible for specific Group's day-to-day operations.

1. Directors (cont'd)

1.1 Board Composition (cont'd)

The Company has complied with the requirement of paragraph 15.02 of the Listing Requirements whereby half of the Board of Directors are Independent Non-Executive Directors.

The Board held four (4) Board Meetings during the financial year. The details of attendance of each individual Director are as follows:-

Name	Meetings attended
Dato' Mah King Thian @ Mah King Thiam	4/4
Dato' Mah King Seng	4/4
Tan Ah Seng	4/4
Chua Kim Yin	4/4
Chan Kam Leong	4/4
Choong Pak Wan (appointed on 25 February 2009)	3/3

1.2 Principal responsibility of the Board

The Board assumes full responsibility for the operations of the Group. In discharging their responsibility, the Board considers all aspects of the operations of the Group and in particular the following areas:

- Reviewing and adopting a strategic business plan for the Group.
- Overseeing the conduct of the business of the Group.
- Identifying and putting in place systems to manage any principal risk.
- Succession planning and/or appointment for senior management.
- Developing and implementing investor relations programme or shareholder communications policy.
- Reviewing internal control and management information systems.

The Board has a formal schedule of matters reserved to itself, which includes the overall Group business strategy, acquisition or divestment policy, approval of major capital expenditure, consideration of significant financial matters and it reviews the financial and operating performance of the Group.

1.3 Supply of information

In carrying out their duties, the Directors have complete access to all staff for information pertaining to the Group's affairs. The Directors also have full access to advice and services of the Company Secretary. Where necessary, the Directors engage independent professional for advice at the Group's expense to enable them to discharge their duties with full knowledge of the cause and effect.

1. Directors (cont'd)

1.4 Appointment and Re-election of Directors

The Articles of Association of the Company requires that all Directors shall be subject to election by shareholders at the first opportunity after their appointment and that at least one third (1/3) or the number nearest to one third (1/3) of the Directors, be subject to re-election by rotation once at least in every three (3) years at the Annual General Meeting.

1.5 Committee of Directors

The Company has established four Committee of Directors ('Committees') to assist in the performance of certain duties of the Board under specific terms of reference. Three (3) of the Committees are composed of a majority of Non-Executive Directors. The Board considers that the mix of commercial experience from the Non-Executive Directors will complement the Executive Directors and create an effective Board.

The Committees established are as follows:

(i) Audit Committee

The role of the Audit Committee is to support the Board of Directors in overseeing the processes for production of the financial data, reviewing the financial reports and the internal controls of the Company. The composition and terms of reference of this Committee together with its report are presented on pages 21 to 25 of the Annual Report.

(ii) Nomination Committee

The functions of the Nomination Committee are as follows:

- Recommend to the Board, candidates for all directorships to be filled by the shareholders or the Board.
- Recommend to the Board, Directors to fill the seats on Committees of Directors.
- Annually review the required mix of skills and experience and other qualities including core competencies which non-executive directors should bring to the Board.
- Annually assess the effectiveness of the Board as a whole, the Committees of Directors and the contribution of each Director.

1. Directors (cont'd)

(iii) Remuneration Committee

The functions of the Remuneration Committee are as follows:

- To recommend to the Board, the remuneration packages of the Executive Directors of the Company in all its forms, drawing from outside advice as necessary.

(iv) Executive Committee ("EXCO")

The EXCO is entrusted with the responsibility of carrying out tasks which are assigned to it by the Board under a set of terms of reference. The EXCO acts on behalf of the Board on matters concerning administrations, operations, capital expenditure, debt approvals and investments. It meets at regular intervals to review and decide on administrative and operational matters, budgets and investment strategies of the Group.

2. Directors' Remuneration

2.1 The Level and Make-up of Remuneration

The Remuneration Committee provides remuneration packages which are sufficient and necessary to attract, retain and motivate Executive Directors to run the Company. The remuneration of Non-Executive Directors is linked to their experience and level of responsibilities undertaken by them.

2.2 Procedures

The Remuneration Committee consists of three members, the majority of whom are Independent Non-Executive Directors. The Committee is responsible for setting up a policy framework for all elements of remuneration such as reward structure, fringe benefits and other terms of employment of the Executive Directors.

2. Directors' Remuneration (cont'd)

2.3 Disclosure

The aggregate remuneration paid or payable to all Directors of the Company for the financial year ended 31 December 2009 are as follows:-

	Fees RM	Emoluments RM	EPF RM	Total RM
Executive Directors	-	1,343,500	161,220	1,504,720
Non-Executive Directors	113,000	-	-	113,000
Total	113,000	1,343,500	161,220	1,617,720

The number of Directors whose total remuneration falls within the following range are as follows:

Range of Remuneration	Executive Directors	Non-Executive Directors
Below RM50,000	-	3
RM200,001 to RM250,000	1	-
RM600,001 to RM650,000	2	-

3. Directors' Training

All the Directors had undergone the Mandatory Accreditation Programme (MAP). The Directors have complied with Practice Note 15/2003 (now repealed) and have all obtained the requisite Continuing Education Programme (CEP) points. During the year, two Executive Directors had attended a study tour of a biomass power generation plant and a turbine factory at Gujarat, India. It was aimed to provide a platform for the interchange of views and gaining of knowledge and information on the production of renewable energy. The Directors will continue to undergo training and other relevant programmes to further enhance their skills and knowledge where relevant.

4. Shareholders

4.1 Dialogue between Companies and Investors

The annual report, quarterly reports and various mandatory announcements are the main channel of information by the Company of its financial performance, operations and corporate developments.

The Company's website at www.cepatgroup.com contains vital information concerning the Group which is updated on a regular basis and shareholders are able to put questions to the Company through the website.

4. Shareholders (cont'd)

4.1 Dialogue between Companies and Investors (cont'd)

The Board considers it is essential that investors are kept informed of all the latest financial results and developments of the Company and where appropriate, will provide disclosure that is in the best interest of the Company and also of the shareholders. All such reporting information can be obtained from the website of the Company and Bursa Malaysia Securities Berhad .

4.2 The Annual General Meeting

The Annual General Meeting is an important event for the Company as the Board has the opportunity to have a dialogue with the shareholders to present the results and performance of the Group and to address all questions that may arise. Suggestions and comments by shareholders will be noted by the Board for consideration.

5. Corporate Social Responsibilities

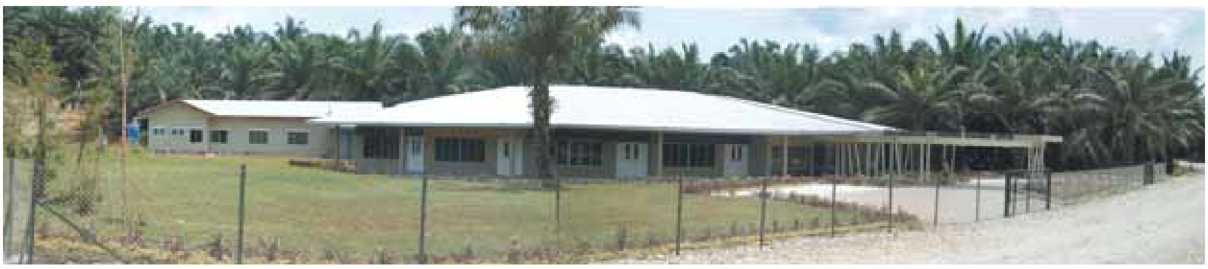
The Company is committed to ensure that its actions not only benefit its shareholders but also its employees, the community and the environment.

As part of its Corporate Social Responsibility ("CSR") programme, the Group had donated and constructed an Education Resource Centre on a two (2) acre site at Segaliud in Kinabatangan, Sabah.

The Centre known as Cepatwawasan-Humana Education Resource Center ("CERC") provides support classes in the field of Bahasa Malaysia, Mathematics, Science, English and Information Technology (IT) for children around Segaliud in Kinabatangan, Sabah. The CERC will benefit around 70 local children, mainly "Orang Sungai". There is room for future expansion to benefit more local children . Facilities include a library, a play corner, study rooms, an outdoor playground and a field.

HUMANA CHILD AID SOCIETY OF SABAH ("Humana"), a non-profit non-governmental organisation has been appointed to coordinate, operate and manage the CERC and it was handed over to Humana on 1st October 2009.

Total cost of setting up the CERC is about RM1 million, which is inclusive of land, land preparation, building, staff quarter, infrastructure, library, computer room, furniture and fixtures. The cost of the building alone is RM 723,000.



6. Financial Reporting

The financial statements of the Company are drawn up in compliance with the provisions of the Companies Act, 1965 and the applicable Financial Reporting Standards in Malaysia. The Board is responsible to ensure that the financial statements of the Company give a true and fair view of the state of affairs of the Company. Accordingly, the Board has prepared the statement of responsibility for the preparation of the annual audited financial statements on page 20.

The quarterly and annual financial statements are reviewed by the Audit Committee and subsequently by the Board, prior to release for announcement to Bursa Malaysia Securities Berhad.

7. Internal Control

The Directors acknowledge their responsibility to maintain a system of internal control for the Group including risk assessment and risk management to ensure that the operations of the Group are run effectively and efficiently, proper financial and corporate compliance controls are in place and the assets of the Group are safeguarded so as to protect shareholders' investment. The Group's system of internal control can only provide reasonable but not absolute assurance against material misstatements, fraud or loss.

The Board has prepared the statement on internal control, which can be found on page 26 and 27.

8. Relationship with Auditors

The Company has always maintained a formal and transparent relationship with its auditors.

The role of the Audit Committee in relation to the external auditors is set out in the Report on Audit Committee on pages 21 to 25.

9. Compliance Statement

The Company has complied with the Best Practices of Corporate Governance as contained in the Malaysian Code on Corporate Governance except for the following minor exceptions that, in the opinion of the Directors, adequately suits the circumstances:

- Disclosure of remuneration is not made in detail for each Director. However, the remuneration paid is disclosed in aggregates of the categories of remuneration and, in compliance with the Listing Requirements, is analysed into bands of RM50,000.

10. Additional Compliance Information

In compliance with the Listing Requirements, the following additional information is provided:-

10.1 Utilisation of Proceeds

This was not applicable during the financial year.

10. Additional Compliance Information (cont'd)

10.2 Share Buy-back

The Company had on 7 September 2009 announced the share buy-back exercise to purchase its own ordinary shares of RM1.00 each ("Shares") of up to 10% of the issued and paid-up share capital. The share buy-back exercise was approved by the shareholders of the Company on 29 October 2009.

During the financial year, the Company purchased 4,001,000 Shares and all the purchases were made in November 2009. The relevant price details are as follow:

Highest price paid	:	RM1.04
Lowest price paid	:	RM1.00
Average price paid	:	RM1.02
Total consideration paid	:	RM4,099,380.00 (excluding transaction cost)

As at 31 December 2009, all the purchased shares were retained as treasury shares and there was no resale or cancellation of these purchased shares.

10.3 Options, Warrants or Convertible Securities

There are no options, warrants or convertible securities exercised in respect of the financial year under review.

10.4 American Deposit Receipt ('ADR') or Global Deposit Receipt ('GDR') Programme

During the financial year, the Company did not sponsor any ADR or GDR programme.

10.5 Imposition of Sanctions/Penalties

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by the relevant authorities.

10.6 Non-Audit Fees

No non-audit fees were paid to the external auditors in respect of the financial year.

10.7 Profit Estimate, Forecast or Projection

No material variance arose between the audited results for the financial year and the unaudited results previously announced. There were no profit estimates, forecasts or projections for the financial year ended 31 December 2009.

10.8 Profit Guarantee

No profit guarantee was given by the Company in respect of the financial year.

10.9 Material Contracts

There were no material contracts entered into by the Company and its subsidiaries involving Directors and substantial shareholders either subsisting at the end of the financial year ended 31 December 2009 or entered into since the previous financial year.

10.10 Revaluation Policy

The Group does not have a revaluation policy on landed properties.

10.11 Recurrent Related Party Transactions

There are no recurrent related party transactions transacted by the Company and its subsidiaries.

Statement of Directors' Responsibility for Preparing the Financial Statements

The Directors are required by the Companies Act, 1965 to prepare financial statements for each financial year which give a true and fair view of the financial position of the Group and of the Company as at the end of the financial year and of their results and cash flows for the financial year then ended.

In preparing the financial statements, the Directors have:

- selected appropriate accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent; and
- stated whether applicable accounting standards have been followed and made a statement to the effect in the financial statements, subject to any material departures being disclosed and explained in the financial statements.

The Directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and to enable them to ensure that the financial statements comply with the provisions of the Companies Act, 1965 and applicable Financial Reporting standards in Malaysia. They are responsible for taking reasonable steps to safeguard the assets of the Group and of the Company for the prevention and detection of fraud and other irregularities.

Audit Committee Report

COMMITTEE MEMBERS

The members of the Audit Committee as at the date of this report are as follows:

Chairman
Mr. Chua Kim Yin
(Independent Non-Executive Director)

Committee Members
Mr. Chan Kam Leong
(Independent Non-Executive Director)
Mr. Choong Pak Wan
(Independent Non-Executive Director)

TERMS OF REFERENCE

1. Composition

1.1 The Committee shall comprise of at least three directors who must be Non-Executive Director and a majority of whom are independent directors. There shall be at least one member who is:

(a) a member of the Malaysian Institute of Accountants, or

(b) otherwise, he shall have at least 3 years' working experience and
(i) he shall have passed the examinations specified in Part 1 of the First Schedule of the Accountants Act 1967; or
(ii) he shall be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967; or

(c) he fulfils such other requirements as prescribed or approved by the Exchange.

1.2 The members of the audit committee shall elect a Chairman from among their number who shall be an independent director.

1.3 No alternate director, Executive Director or Managing Director shall be appointed as a member of the Audit Committee.

1.4 Any vacancy in the Audit Committee resulting in the non-compliance of the above, shall be filled within three months.

2. Authority

The audit committee shall:

(a) have the authority to investigate any activity of the Group within its terms of reference;

(b) have resources which are required to perform its duties;

(c) have full and unrestricted access to the Group's information;

(d) have direct communication channels with the external auditors, internal auditors and all employees of the Group;

(e) be able to obtain independent professional or other advice; and

(f) be able to convene meetings with the external auditors, the internal auditors or both (excluding the executive directors and employees), if necessary.

3. Functions

The audit committee is to:

3.1 Review the following and report the same to the board of directors:

a) with the external auditors:

i) the external audit plan,
ii) the evaluation of the system of internal controls; and
iii) the external audit report.

b) assistance given by the Company's officers to the external auditors;

c) adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its works;

d) the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;

e) the quarterly financial reports and year end financial statements, prior to the approval by the board of directors, focusing particularly on:

- changes in or implementation of major accounting policy changes;
- significant and unusual events;
- the going concern assumption; and
- compliance with accounting standards and other legal requirements.
- significant transactions not forming a normal part of the Company's operations;
- significant adjustments proposed by the external auditors.

3. Functions (cont'd)

3.1 Review the following and report the same to the board of directors (cont'd):

f) any related party transactions and conflict of interest situation that may arise within the Group including any transaction, procedure or course of conduct that raises questions of management integrity;

g) letter of resignation from the external auditors, if any; and

h) whether there is any reason (supported by grounds) to believe that the external auditors is not suitable for reappointment.

3.2 Consider the nomination of external auditors.

3.3 Review the scope of audit and general extent of the external auditor's examination, including their engagement letter.

3.4 Review with the Company's management, external auditors and the internal auditor, the Company's general policies and procedures to reasonably assure the adequacy of internal accounting and financial reporting controls.

3.5 Discuss with the external auditors any relevant recommendations, which the external auditors may have, especially those in their letter of comments and recommendations. Topics to be considered during this discussion include improving internal financial controls, the selection of accounting principles, and management reporting systems. Review written responses of management to the letter of comments and recommendations from the external auditors.

3.6 Evaluate the cooperation received by the external auditors during their examination, including their access to all requested records, data and information. Also, elicit the comments of management regarding the responsiveness of the external auditors to the Company's needs. Enquire the external auditors whether there have been any disagreements with management, which if not satisfactorily resolved would have caused them to issue a non-standard report on the company's financial statements.

3.7 Review the scope and results of the internal audit procedures and discuss with the Company management the remedial actions taken on the areas that need improvement.

3.8 Apprise the board of directors, through minutes and special presentations as necessary, of significant developments in the course of performing the above duties.

3.9 Perform such other functions as may be agreed to by the Audit Committee and the Board of Directors.

4. Quorum and Attendance of Meetings

4.1 The quorum of meetings of the Committee shall be majority of the members who are Independent Directors.

4.2 Members of the audit committee are to be present at all meetings. If necessary or desirable, the chairman may request that members of management, the head of internal audit and representatives of the external auditors be present at meetings of the Committee.

4.3 The Company Secretary or his/her representative shall be the secretary of the Audit Committee.

5. Frequency of Meetings and Minutes

5.1 The Audit Committee is to meet at least four times per year.

5.2 At least twice a year, the Committee shall meet with the external auditors, the internal auditors or both without the presence of any executives of the Company.

5.3 Minutes of each Audit Committee meeting are to be made available to the Board of Directors.

MEETINGS

The Audit Committee members held four (4) meetings during the financial year ended 31 December 2009.

The attendance of the members at the Audit Committee meetings is as follows:

Member	Meetings attended
Chua Kim Yin	4/4
Chan Kam Leong	4/4
Choong Pak Wan (appointed on 25 February 2009)	3/3

Members of the senior management were invited to attend these meetings as and when necessary. The external auditors have also attended the meetings by invitation.

ACTIVITIES

The summary of the activities of the Audit Committee in the discharge of its duties and responsibilities for the financial year included the following:-

(i) Reviewed the scope of work and audit plan of the external auditors.

(ii) Reviewed, with the external auditors, the results of their audit, the audit report and internal control recommendations in respect of improvements in the internal control procedures noted in the course of their audit.

ACTIVITIES (cont'd)

(iii) Reviewed the adequacy of the internal audit scope and plan, and the findings identified by the internal audit function.

(iv) Reviewed the necessity and need for special audit.

(v) Reviewed the annual report and the audited financial statements of the Company prior to submission to the Board for their consideration and approval. The review was to ensure that the audited financial statements were drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards issued by the Malaysian Accounting Standards Board.

(vi) Reviewed the compliance of the Company with the Bursa Malaysia Securities Berhad Main Market Listing Requirements and the applicable approved accounting standards issued by the Malaysian Accounting Standards Board.

(vii) Reviewed the unaudited quarterly Group results before recommending to the Board for approval for announcement to Bursa Malaysia Securities Berhad.

(viii) Reviewed the related party transactions entered into by the Group.

(ix) Reviewed and recommended to the Board the re-appointment of external auditors and their audit fees.

(x) Reviewed the status of compliance of the Company with the Malaysian Code on Corporate Governance for the purpose of issuing the Corporate Governance Statement pursuant to the requirement of paragraph 15.25 of Bursa Malaysia Securities Berhad Main Market Listing Requirements.

INTERNAL AUDIT FUNCTION

The principal role of the internal audit function is to provide the Audit Committee with independent and objective reports on the adequacy, efficiency and effectiveness of the internal control system to ensure compliance with the systems and standard operating procedures in the Group.

In this connection, the Company has engaged Messrs KPMG to assist in carrying out the internal audit function. During the financial year, four (4) cycles of internal audit were conducted. The internal audit activities carried out for the financial year include the following:

– Inventory management, CPO & PK transportation and mill maintenance programme (Cycle 4, 2008)
– Harvesting programme and FFB quality control (Cycle 1, 2009)
– Payroll system, manuring programme and store management (Cycle 2, 2009)
– Sales and receipts functions of CPO & PK (cycle 3, 2009)

The Audit Committee had reviewed the auditor's findings and management's responses and had ensured that appropriate actions were taken by management on the audit recommendations.

Statement on Internal Control

BOARD'S RESPONSIBILITY

The Board acknowledges its responsibility for establishing an efficient and effective system of internal control covering not only financial controls but also controls relating to operational, compliance and risk management to safeguard shareholders' value and the Group's assets. There is an on-going review process by the Board to ensure its adequacy and integrity of the system.

In view of the limitations that are inherent in any system of internal control, this system is designed to manage, rather than eliminate the risk of failure to achieve corporate objectives. Accordingly, the system can only provide reasonable but not absolute assurance against material misstatement, operational failures, fraud or loss.

RISK MANAGEMENT FRAMEWORK AND CONTROL SELF-ASSESSMENT

The Management has reviewed the Group's internal control system and formalised the risk management practices to comply with the Malaysian Code on Corporate Governance ("the Code"). In consequence, a formal risk management framework has been established to ensure that structured and consistent approach and methods are practised in the on-going process of identifying and assessing various critical risks that are considered likely to affect the profitable operation of the business units in the Group. The Board is supported by the Group Risk Management Team that comprises the Executive Chairman, Managing Director, Executive Director and senior management in overseeing the risk management efforts within the Group.

The Management has worked within the approved and adopted framework for principal risks affecting the Group's strategic business objectives throughout the year. Additional reviews will be carried out as and when required annually.

The on-going implementation is monitored by the Management and is reported to the Board.

INTERNAL AUDIT FUNCTION

The Board recognised that effective monitoring on a continuous basis is a vital component of a sound internal control system. In this respect, the Board through the Audit Committee regularly receives and review reports on internal control from its internal audit function.

The internal audit function is outsourced to KPMG which reports directly to the Audit Committee. The scope of work covered by the internal audit function is determined by the Audit Committee after careful consideration and discussion of the audit plan with the Board.The cost incurred for the internal audit function for the financial year ended 31 December 2009 was RM 36,000.

OTHER KEY ELEMENTS OF INTERNAL CONTROL

Other key elements of the Group's internal control are as follows:

i. BOARD MEETINGS

The Board meets at least quarterly and has a formal agenda on matters for discussion. The Chairman, together with the Executive Directors, leads the presentations of board papers and provides comprehensive explanation of pertinent issues. The Board is also kept updated on the Company's and the Group's activities and operations on a regular basis including any material issues.

ii. ORGANISATIONAL STRUCTURE

The Group's organisational structure is formed with formally defined reporting lines and authorities to facilitate quick response to changes in the evolving business environment and accountability for operational performance.

To identify, discuss and resolve business and operational issues, weekly management meetings at head office as well as scheduled meetings at operation sites are held. The EXCO is aware of the significant issues identified in those meetings, and when necessary the EXCO shall be involved in resolving those issues. The Group has been restructured in such a way that duties are properly segregated to ensure safe custody of the Group's assets and to provide clear and transparent reporting lines.

iii. PERFORMANCE MANAGEMENT FRAME WORK

Management reports are generated on a monthly basis to facilitate the Board's review of the Group's financial and operating performance. The review covers areas such as financial and non-financial key performance indicators and variances between budget and operating results.

The Board has reviewed and approved the Group's budget for the next financial year. The budgeting process involves the preparation of budgets by individual operating units, which are then reviewed and approved at management level and ultimately by the Board. The Management will monitor the actual performance against the Group's budget on a monthly basis. Significant variances are identified, investigated and reported.

WEAKNESS IN INTERNAL CONTROL

There were no material internal control failures nor have any of the reported weaknesses resulted in material losses or contingencies during the financial year.

Directors' Report

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2009.

Principal Activities

The principal activities of the Company are investment holding and provision of management services to its subsidiary companies. The principal activities of the subsidiary companies are stated in Note 20 to the financial statements.

There have been no significant changes in the nature of the principal activities during the financial year.

Results

	Group RM	Company RM
Profit for the year	18,014,464	41,328,886
Attributable to:		
Equity holders of the Company	17,421,188	41,328,886
Minority interests	593,276	-
	18,014,464	41,328,886

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

Dividends

The amount of dividends paid by the Company since 31 December 2008 were as follows:

	RM
In respect of the financial year ended 31 December 2008 as reported in the Directors' report of that year:	
Final single tier dividend of 1.5% on 215,456,915 ordinary shares, declared on 27 April 2009 and paid on 20 May 2009	3,231,854
In respect of the financial year ended 31 December 2009:	
First interim single tier dividend of 1% on 211,455,915 ordinary shares (excluding 4,001,000 treasury shares), declared on 2 December 2009 and paid on 29 December 2009	2,114,559
	5,346,413

At the forthcoming Annual General Meeting, a single tier final dividend in respect of the financial year ended 31 December 2009, of 1% on 211,455,915 ordinary shares amounting to a dividend payable of RM2,114,559 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2010.

Directors

The names of the Directors of the Company in office since the date of the last report and at the date of this report are:

Dato' Mah King Thian @ Mah King Thiam
Dato' Mah King Seng
Tan Ah Seng
Chua Kim Yin
Chan Kam Leong
Choong Pak Wan

Directors' Benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors or the fixed salary of a full-time employee of the Company as shown in Note 11 to the financial statements) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Directors' Interests

According to the register of Directors' shareholdings, the interests of Directors in office at the end of the financial year in shares in the Company during the financial year were as follows:

	Number of Ordinary Shares of RM1.00 Each				
	1.1.2009	At date of appointment	Acquired	Disposed	31.12.2009
Name of Directors					
Direct interest:					
Tan Ah Seng	100	-	-	-	100
Choong Pak Wan	-	10,000	-	-	10,000
Indirect interest:					
Dato' Mah King Thian @ Mah King Thiam	69,000,000	-	5,065,800	-	74,065,800
Dato' Mah King Seng	69,000,000	-	5,065,800	-	74,065,800
Chan Kam Leong	161,500		-	(161,500)	-

Dato' Mah King Thian @ Mah King Thiam and Dato' Mah King Seng by virtue of their interests in shares in the Company are also deemed interested in shares of all the Company's subsidiaries to the extent the Company has an interest.

None of the other Directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

Treasury Shares

During the financial year, 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 repurchase including transaction costs was RM4,108,604. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

Further relevant details are disclosed in Note 26 to the financial statements.

Other Statutory Information

(a) Before the income statements and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps:

   (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

   (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the Directors are not aware of any circumstances which would render:

   (i) the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and

   (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

(e) As at the date of this report, there does not exist:

   (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

   (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

Other Statutory Information (cont'd)

(f) In the opinion of the Directors:

(i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

Significant Events

Details of the significant events are disclosed in Note 3 to the financial statements.

Material Litigation

The details of the material litigation are disclosed in Note 4 to the financial statements.

Auditors

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 12 March 2010.

DATO' MAH KING THIAN @ MAH KING THIAM **TAN AH SENG**

Statement by Directors

Pursuant to Section 169(15) of the Companies Act, 1965

We, DATO' MAH KING THIAN @ MAH KING THIAM and TAN AH SENG, being two of the Directors of CEPATWAWASAN GROUP BERHAD, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 36 to 93 are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2009 and of the results and the cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 12 March 2010.

DATO' MAH KING THIAN @ MAH KING THIAM **TAN AH SENG**

Statutory Declaration

Pursuant to Section 169(16) of the Companies Act, 1965

I, NOK CHUNG YUAN, being the Officer primarily responsible for the financial management of CEPATWAWASAN GROUP BERHAD, do solemnly and sincerely declare that the accompanying financial statements set out on pages 36 to 93 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed NOK CHUNG YUAN at Sandakan in the State of Sabah on 12 March 2010.

NOK CHUNG YUAN

Before me,

RAMSAH BINTI HJ. MOHD. TAHA
Commissioner for Oaths (No. S-029)

Independent Auditors' Report to the Members of
Cepatwawasan Group Berhad (Incorporated in Malaysia)

Report on the financial statements

We have audited the financial statements of Cepatwawasan Group Berhad, which comprise the balance sheets as at 31 December 2009 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 36 to 93.

Directors' responsibility for the financial statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2009 and of their financial performance and cash flows of the Group and of the Company for the year then ended.

In forming our opinion, we have considered the adequacy of the disclosure made in Note 2 to the financial statements concerning the recoverability of the alleged wrongful payments of RM16 million and the adequacy of the provision for doubtful debts of RM12.8 million made in respect thereof which are dependent on the outcome of the judgement in respect of the lawsuit for recovery of the said alleged wrongful payments, which were wrongfully paid out by the former directors who were removed on 6 August 2004 to third parties which may eventually not be recoverable . In relation to the balance of RM3.2 million, which have not been provided, we considered that it should be drawn to your attention, but our opinion is not qualified in that respect.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.

(b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

(c) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young
AF: 0039
Chartered Accountants

Chin Mui Khiong Peter
1881/03/12 (J)
Chartered Accountant

Kuching, Malaysia
12 March 2010

Income Statements
For the Year Ended 31 December 2009

	Note	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
Revenue	6	164,002,696	246,962,156	45,127,209	11,219,456
Cost of sales		(126,751,427)	(187,460,265)	-	-
Gross profit		37,251,269	59,501,891	45,127,209	11,219,456
Other income	7	1,231,166	5,362,877	777,590	689,277
Distribution costs		(3,756,999)	(3,529,156)	-	-
Administrative expenses		(7,552,370)	(7,005,216)	(2,427,570)	(2,358,261)
Operating profit		27,173,066	54,330,396	43,477,229	9,550,472
Finance costs	8	(1,265,992)	(1,125,115)	(776,980)	(689,628)
Profit before tax	9	25,907,074	53,205,281	42,700,249	8,860,844
Income tax expense	12	(7,892,610)	(11,691,896)	(1,371,363)	(2,372,158)
Profit for the year		18,014,464	41,513,385	41,328,886	6,488,686
Attributable to:					
Equity holders of the Company		17,421,188	39,903,189	41,328,886	6,488,686
Minority interests		593,276	1,610,196	-	-
		18,014,464	41,513,385	41,328,886	6,488,686
Earnings per share attributable to equity holders of the Company (sen):					
- Basic	13(a)	8.12	18.52		
- Diluted	13(b)	8.12	18.52		

The accompanying notes form an integral part of the financial statements.

Balance Sheets

As at 31 December 2009

	Note	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
ASSETS					
Non-Current Assets					
Property, plant and equipment	15	64,811,271	62,031,913	2,188,555	1,599,140
Prepaid land lease payments	16	63,342,234	64,146,398	-	-
Biological assets	17	150,680,997	150,373,608	-	-
Investment properties	18	20,279,089	20,279,089	-	-
Intangible assets	19	92,088,118	92,088,118	-	-
Investments in subsidiaries	20	-	-	217,208,013	217,203,013
Deferred tax assets	21	1,667,195	748,881	-	-
Other receivables	23	1,929,038	-	-	-
		394,797,942	389,668,007	219,396,568	218,802,153
Current Assets					
Inventories	22	16,370,827	13,796,217	-	-
Trade and other receivables	23	13,099,035	10,575,601	91,744,633	94,003,614
Tax refundable		238,296	2,205,541	238,296	753,403
Short term investments	24	3,133,066	1,092,264	-	-
Cash and cash equivalents	25	18,749,892	28,547,680	327,757	243,330
		51,591,116	56,217,303	92,310,686	95,000,347
TOTAL ASSETS		446,389,058	445,885,310	311,707,254	313,802,500
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	26	215,456,915	215,456,915	215,456,915	215,456,915
Treasury shares	26	(4,108,604)	-	(4,108,604)	-
Retained profits/ (accumulated losses)	27	130,495,637	118,420,862	32,375,748	(3,606,725)
		341,843,948	333,877,777	243,724,059	211,850,190
Minority interests		15,839,774	15,631,518	-	-
Total equity		357,683,722	349,509,295	243,724,059	211,850,190
Non-Current Liabilities					
Borrowings	28	18,157,182	28,264,021	-	-
Deferred tax liabilities	21	45,856,126	45,805,162	-	-
Lease rental payable	30	267,050	267,050	-	-
		64,280,358	74,336,233	-	-

Balance Sheets
As at 31 December 2009 (cont'd)

	Note	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
Current Liabilities					
Borrowings	28	5,519,394	8,654,288	-	-
Trade and other payables	31	16,755,042	12,413,662	67,983,195	101,952,310
Provision for taxation		2,150,542	971,832	-	-
		24,424,978	22,039,782	67,983,195	101,952,310
Total Liabilities		88,705,336	96,376,015	67,983,195	101,952,310
TOTAL EQUITY AND LIABILITIES		446,389,058	445,885,310	311,707,254	313,802,500

The accompanying notes form an integral part of the financial statements.

Statements of Changes in Equity
For the Year Ended 31 December 2009

	Note	Share Capital RM	Treasury Shares RM	Distributable Retained Profits/ (Accumulated Losses) RM	Total RM	Minority Interests RM	Total Equity RM
		← Attributable to Equity Holders of the Company			→		
Group							
At 1 January 2008		215,456,915	-	83,861,004	299,317,919	13,876,643	313,194,562
Acquisition of shares by minority shareholders	20	-	-	-	-	144,679	144,679
Profit for the year		-	-	39,903,189	39,903,189	1,610,196	41,513,385
Dividends	14	-	-	(5,343,331)	(5,343,331)	-	(5,343,331)
At 31 December 2008		215,456,915	-	118,420,862	333,877,777	15,631,518	349,509,295
Acquisition of shares by minority shareholders	20	-	-	-	-	15,000	15,000
Purchase of treasury shares	26	-	(4,108,604)	-	(4,108,604)	-	(4,108,604)
Profit for the year		-	-	17,421,188	17,421,188	593,276	18,014,464
Dividends	14	-	-	(5,346,413)	(5,346,413)	-	(5,346,413)
Dividend paid to minority interest		-	-	-	-	(400,020)	(400,020)
At 31 December 2009		215,456,915	(4,108,604)	130,495,637	341,843,948	15,839,774	357,683,722
Company							
At 1 January 2008		215,456,915	-	(4,752,080)	210,704,835	-	210,704,835
Profit for the year		-	-	6,488,686	6,488,686	-	6,488,686
Dividends	14	-	-	(5,343,331)	(5,343,331)	-	(5,343,331)
At 31 December 2008		215,456,915	-	(3,606,725)	211,850,190	-	211,850,190
Purchase of treasury shares	26	-	(4,108,604)	-	(4,108,604)	-	(4,108,604)
Profit for the year		-	-	41,328,886	41,328,886	-	41,328,886
Dividends	14	-	-	(5,346,413)	(5,346,413)	-	(5,346,413)
At 31 December 2009		215,456,915	(4,108,604)	32,375,748	243,724,059	-	243,724,059

The accompanying notes form an integral part of the financial statements.

Cash Flow Statements

For the Year Ended 31 December 2009

	Note	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
Cash Flows From Operating Activities					
Profit before tax		25,907,074	53,205,281	42,700,249	8,860,844
Adjustments for:					
Amortisation of prepaid land lease payments	9	804,164	1,031,675	-	-
Bad debts written off	9	248,612	170,327	-	-
Depreciation of property, plant and equipment	9	4,782,100	4,400,959	18,907	936
Equipment written off	9	70,946	35,232	-	-
Provision for doubtful debts	9	1,104,616	95,757	-	-
Interest expense	8	1,265,992	1,125,115	776,980	689,628
Dividend income	6	-	-	(42,950,000)	(9,000,000)
Loss on disposal of equipment	9	1,425	-	-	-
Gain on disposal of prepaid land lease payments	7	-	(4,267,871)	-	-
Gain on disposal of plant and equipment	7	-	(11,188)	-	-
Gain on deemed disposal of subsidiaries	7	-	(5,321)	-	-
Interest income	7	(553,458)	(812,879)	(776,980)	(689,277)
Operating profit/(loss)before working capital changes		33,631,471	54,967,087	(230,844)	(137,869)
Increase in inventories		(2,574,610)	(672,276)	-	-
(Increase)/decrease in receivables		(5,805,700)	3,065,090	(116,926)	3,070
Increase/(decrease) in payables		4,341,380	(10,640,772)	(365,861)	247,774
Cash generated from/(used in) operations		29,592,541	46,719,129	(713,631)	112,975
Income tax paid		(5,614,005)	(17,669,878)	(856,256)	(2,545,218)
Interest paid		(1,265,992)	(2,020,559)	(776,980)	(689,628)
Net cash generated from/(used in) operating activities		22,712,544	27,028,692	(2,346,867)	(3,121,871)

Cash Flow Statements
For the Year Ended 31 December 2009 (cont'd)

	Note	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
Cash Flows From Investing Activities					
Proceeds from disposal of prepaid land lease payments		-	10,663,426	-	-
Dividend received		-	-	6,700,000	9,000,000
Decrease/(increase) in amounts due from subsidiary companies		-	-	2,375,907	(26,454,706)
Interest received		553,458	812,879	776,980	689,277
Proceeds from disposal of property, plant and equipment		177,500	27,502	-	-
Additions of property, plant and equipment	15	(7,582,329)	(6,551,033)	(608,322)	(1,170,760)
Additions of biological assets	17	(307,389)	(1,874,482)	-	-
Acquisition of investment properties		-	(20,279,089)	-	-
Additional investments in subsidiaries		-	-	(5,000)	(330,000)
Net cash (used in)/generated from investing activities		(7,158,760)	(17,200,797)	9,239,565	(18,266,189)
Cash Flows From Financing Activities					
Acquisitions of treasury shares		(4,108,604)	-	(4,108,604)	-
Proceeds from issuance of share capital to minority shareholders by subsidiaries		15,000	150,000	-	-
Net movement in bankers' acceptances		(6,000,000)	6,000,000	-	-
Dividend paid		(5,346,413)	(5,343,331)	(5,346,413)	(5,343,331)
Dividend paid to minority shareholders by subsidiaries		(400,020)	-	-	-
Increase in amounts due to subsidiary companies		-	-	2,646,746	25,233,460
Net movement in revolving credits		-	(18,056,630)	-	-
Repayment of term loans		(6,478,985)	(3,824,587)	-	-
Repayment of hire purchase liabilities		(991,748)	(1,171,798)	-	-
Net cash (used in)/generated from financing activities		(23,310,770)	(22,246,346)	(6,808,271)	19,890,129
Net (decrease)/increase in cash and cash equivalents		(7,756,986)	(12,418,451)	84,427	(1,497,931)
Cash and cash equivalents at beginning of year		29,639,944	42,058,395	243,330	1,741,261
Cash and cash equivalents at end of year	25	21,882,958	29,639,944	327,757	243,330

The accompanying notes form an integral part of the financial statements.

Notes to the Financial Statements
31 December 2009

1. Corporate Information

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office and the principal place at which the Company's business is carried out are located at Lot 70, Block 6, Prima Square, Mile 4, North Road, 90000 Sandakan, Sabah.

The principal activities of the Company are investment holding and provision of management services to its subsidiary companies. The principal activities of the subsidiary companies are stated in Note 20 to the financial statements. There have been no significant changes in the nature of the principal activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 12 March 2010.

2. Significant Uncertainty

On 18 August 2004, the Directors discovered that, prior to their appointments, payments totalling RM16 million were wrongfully and fraudulently paid out from a bank account of a subsidiary company, Prolific Yield Sdn. Bhd. ("Prolific Yield"), to third parties by the former directors who were removed on 6 August 2004. The Company and Prolific Yield have since filed a Writ of Summons at the Kuala Lumpur High Court against seven of the former directors of the Company and eleven others for recovery of the total amount of RM16 million as referred to in Note 4. The Court has on 24 June 2005 granted the Company's application for order for attachment of assets before judgement by the Kuala Lumpur High Court. The Directors have recorded the said wrongful payments in other receivables pending the outcome of the judgement. As at year end, the Directors have reviewed the recoverability of the above said wrongful payments and they are of the opinion that the provision for doubtful debts of RM12.8 million, which was made in previous year is adequate.

The recoverability of the wrongful payments totaling RM16 million and the adequacy of provision for doubtful debts of RM12.8 million thereof are dependent on the outcome of the judgement by the Kuala Lumpur High Court. However, the Directors are of the opinion that the Court will rule in favour of the Company and Prolific Yield and that the amount of provision is adequate. The financial statements do not include any adjustments that would be required if the judgement is not concluded in favour of the Company and Prolific Yield.

3. Significant Events

(i) During the financial year, Syarikat Melabau Sdn. Bhd., a wholly-owned subsidiary of the Group, acquired one ordinary share of RM1.00 and subscribed for 34,999 ordinary shares of RM1.00 each in Swifturn Sdn. Bhd. representing a total of 70% of the entire issued and paid up capital of the latter for a total consideration of RM35,000.

(ii) During the financial year, the Company acquired two ordinary shares of RM1.00 and subscribed for 179,998 ordinary shares of RM1.00 each in Cash Nexus (M) Sdn. Bhd. representing 100% equity interest of the latter for a total consideration of RM180,000.

4. Material Litigation

In July 2004, the Company and its subsidiary company, Prolific Yield Sdn. Bhd. ("Prolific Yield") filed a Writ of Summons at the Kuala Lumpur High Court against the following persons:

Name of Defendants

Tengku Dato' Kamal Ibni Sultan Sir Abu Bakar	1st Defendant
Lt Kol Tengku Dato' Kamarul Zaman Ibni Sultan Sir Abu Bakar	2nd Defendant
Kassim Bin Mohamed Ali	3rd Defendant
Abdul Rahim Bin Sendiri	4th Defendant
Opti Temasek Sdn. Bhd.	5th Defendant
Yip Kum Wah	6th Defendant
Lee Ah Lan	7th Defendant
Sheikh Abdul Rahim Bin Sheikh Hassan	8th Defendant
Yip Fook Yian	9th Defendant
Yip Chee Meng	10th Defendant
Yip Ha @ Yip See Khow	11th Defendant
Chew Poh Kong	12th Defendant
Hew Yen Fatt	13th Defendant
Tan Sri Datuk Chai Kin Kong	14th Defendant
Dato Chua Tiong Moon	15th Defendant
Chai Kim Chong	16th Defendant
Chai Woon Chet	17th Defendant
Tan Kok Aun 18th Defendant	

for recovery of:

(a) RM13 million which was wrongfully and fraudulently paid out by the former directors of Prolific Yield who were removed on 6 August 2004 to Opti Temasek Sdn. Bhd.;

(b) RM3 million which was wrongfully and fraudulently paid to Sheikh Abdul Rahim Bin Sheikh Hassan as an advance with no interest and no fixed term of repayment; and

(c) RM287,915 which was misused by the 14th to 16th Defendants for improper purpose.

Mareva Injunction to freeze the assets of the Defendants were obtained against the 1st to 13th Defendants.

The 1st to 4th Defendant appeal to the Court of Appeal against the Order for Attachment Before Judgment is fixed for case management on 1 April 2010 to enable the parties to fix an appointment before the High Court Management Judge resolve the terms of Draft Order of the high Court Order dated 24 June 2005 as the parties were unable to resolve the same before the Registrar.

The Deputy Registrar has selected the case for mediation and has directed the parties to appear before the Judge on 25 March 2010 for the purpose.

All the parties have been directed to prepare and present a summary of their respective cases to the Court on 25 March 2010.

The Plaintiff's appeal to the Court of Appeal against the High Court striking out the Statement of Claim against the 14th - 17th Defendants is fixed for hearing on 2 August 2010.

5. Significant Accounting Policies

5.1 Basis of Preparation

The financial statements comply with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia.

The financial statements of the Group and of the Company have also been prepared on a historical basis except when otherwise indicated.

The financial statements are presented in Ringgit Malaysia (RM).

5.2 Summary of Significant Accounting Policies

(a) Subsidiaries and Basis of Consolidation

(i) Subsidiaries

Subsidiaries are entities over which the Group has the ability to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such control over another entity.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in income statement.

(ii) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the balance sheet date. The financial statements of the subsidiaries are prepared for the same reporting date as the Company.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, intragroup balances, transactions and unrealised gains or losses are eliminated in full. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

Acquisitions of subsidiaries are accounted for using the purchase method. The purchase method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

5. Significant Accounting Policies (cont'd)

5.2 Summary of Significant Accounting Policies (cont'd)

(a) Subsidiaries and Basis of Consolidation (cont'd)

(ii) Basis of Consolidation (cont'd)

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in income statement.

Minority interests represent the portion of income statement and net assets in subsidiaries not attributable to the Group. It is measured at the minorities' share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minorities' share of changes in the subsidiaries' equity since then.

(b) Intangible Assets

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(c) Property, Plant and Equipment, and Depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Direct expenditure incurred on quarry development is capitalised under quarry development expenditure. A portion of the indirect overheads which include general and administrative expenses and interest expense incurred on quarry development is similarly capitalised under quarry development expenditure until such time when the quarry commences operation.

Quarry development expenditure is amortised based on the proportion of stone volume extracted over the estimated volume of extractable stone from the quarry reserve.

5. Significant Accounting Policies (cont'd)

5.2 Summary of Significant Accounting Policies (cont'd)

(c) Property, Plant and Equipment, and Depreciation (cont'd)

Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Leasehold property	2%
Plantation infrastructure development expenditure	Over remaining lease term of land
Oil mill and other buildings	5% - 7%
Heavy equipment, plant and machinery	6% - 10%
Motor vehicles	15%
Furniture, fittings and equipment	10%

Capital work-in-progress is stated at cost and not depreciated until they are fully completed and ready for use.

The residual values, useful life and depreciation method are reviewed at each financial period-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in income statement.

(d) Biological Assets

Biological assets comprise oil palm planting expenditure. New planting expenditure incurred on land clearing and upkeep of palms to maturity is stated at cost and capitalised under biological assets. A portion of the direct overheads which include general and administrative expenses and interest expense incurred on immature plantation is similarly capitalised under biological assets until such time when the plantation attains maturity.

No amortisation is considered necessary on oil palm planting expenditure as its value is maintained through replanting programme. Replanting expenditure is recognised in the income statement in the year in which the expenditure is incurred.

(e) Impairment of Non-financial Assets

The carrying amounts of assets, inventories and deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

5. Significant Accounting Policies (cont'd)

5.2 Summary of Significant Accounting Policies (cont'd)

(e) Impairment of Non-financial Assets (cont'd)

For goodwill, intangible assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date or more frequently when indicators of impairment are identified.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs to. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

An impairment loss is recognised in profit or loss in the period in which it arises.

Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

5. Significant Accounting Policies (cont'd)

5.2 Summary of Significant Accounting Policies (cont'd)

(f) Investment Properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are stated at cost less accumulated depreciation and any accumulated impairment loss.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in income statement in the year in which they arise.

(g) Inventories

All categories of inventories are valued at the lower of cost and net realisable value.

Costs of crude palm oil, milled oil palm produce and quarry inventories consist of direct material cost, direct labour cost, other direct charges and an appropriate proportion of factory overheads and are determined on the monthly weighted average basis.

Costs of consumable stores consist of purchase cost and expenses in bringing them into stores and are determined on the weighted average basis.

Cost of oil palm nurseries is computed using the weighted average cost method and includes the actual cost of seedlings and upkeep expenses.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale.

(h) Financial Instruments

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instrument.

Financial instruments are classified as assets, liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends and gains and losses relating to a financial instrument are reported as expense or income. Distributions to holders of financial instruments classified as equity are recognised directly in equity. Financial assets and liabilities are offset against each other when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

5. Significant Accounting Policies (cont'd)

5.2 Summary of Significant Accounting Policies (cont'd)

(h) Financial Instruments (cont'd)

(i) Cash and Cash Equivalents

For the purposes of the cash flow statements, cash and cash equivalents include cash on hand and at bank, deposit at call and short term highly liquid investments which have an insignificant risk of changes in value, net of outstanding bank overdrafts.

(ii) Receivables

Receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

(iii) Payables

Payables are stated at the fair value of the consideration to be paid in the future for goods and services received.

(iv) Interest-Bearing Loans and Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

(v) Equity Instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

The consideration paid, including attributable transaction costs on repurchased ordinary shares of the Company that have not been cancelled, are classified as treasury shares and presented as a deduction from equity. No gain or loss is recognised in profit or loss on the sale, re-issuance or cancellation of treasury shares. When treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount is recognised in equity.

5. Significant Accounting Policies (cont'd)

5.2 Summary of Significant Accounting Policies (cont'd)

(i) Leases

(i) Classification

A lease is recognised as a finance lease if it transfers substantially to the Company all the risks and rewards incidental to ownership. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets and the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification. All leases that do not transfer substantially all the risks and rewards are classified as operating leases, with the following exceptions:

- Property held under operating leases that would otherwise meet the definition of an investment property is classified as an investment property on a property-by-property basis and, if classified as investment property, is accounted for as if held under a finance lease; and

- Land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease.

(ii) Finance Leases - the Company as Lessee

Assets acquired by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the balance sheet as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Company's incremental borrowing rate is used. Any initial direct costs are also added to the carrying amount of such assets.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised in the income statement over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for leased assets is in accordance with that for depreciable property, plant and equipment as described in Note 5.2(c).

5. Significant Accounting Policies (cont'd)

5.2 Summary of Significant Accounting Policies (cont'd)

(i) Leases (cont'd)

(iii) Operating Leases - the Company as Lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

In the case of a lease of land and buildings, the minimum lease payments or the up-front payments made are allocated, whenever necessary, between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment represents prepaid lease payments and are amortised on a straight-line basis over the lease term.

(j) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowing entity that are outstanding during the period.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(k) Income Tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is provided for, using the liability method. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

5. Significant Accounting Policies (cont'd)

5.2 Summary of Significant Accounting Policies (cont'd)

(k) Income Tax (cont'd)

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised as income or an expense and included in the profit or loss for the period, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or the amount of any excess of the acquirer's interest is the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

(l) Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

(m) Employee Benefits

(i) Short Term Benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the period in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined Contribution Plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the income statement as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund.

5. Significant Accounting Policies (cont'd)

5.2 Summary of Significant Accounting Policies (cont'd)

(n) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognised criteria must also be met before revenue is recognised.

(i) Sale of plantation produce

Sale of plantation produce is recognised on an accrual basis upon delivery of products to customers, less returns.

(ii) Sale of stones

Sale of stones is recognised upon delivery of products and customers' acceptance.

(iii) Dividend income

Dividend income is recognised when the right to receive payment is established.

(iv) Management fees

Revenue from management service is recognised upon rendering of services to subsidiary companies.

(o) Segment Information

Segment information is presented in respect of the Group's business segments as the Group's risk and rates of return are affected predominantly by differences in the products it produces.

Segment results, assets and liabilities included items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise finance cost and corporate administration expenses.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that is expected to be used for more than one accounting period.

5. Significant Accounting Policies (cont'd)

5.3 Standards and Interpretations Issued but Not Yet Effective

At the date of authorisation of these financial statements, the following new and revised FRSs, Amendments to FRSs and Interpretations were issued but not yet effective and have not been applied by the Company and the Group:

FRSs, Amendments to FRSs and Interpretations	Effective for financial periods beginning on or after
FRS 4: Insurance Contracts	1 January 2010
FRS 7: Financial Instruments: Disclosures	1 January 2010
FRS 8: Operating Segments	1 July 2009
FRS 139: Financial Instruments: Recognition and Measurement	1 January 2010
FRS 123: Borrowings Costs	1 January 2010
FRS 101: Presentation of Financial Statements (revised)	1 January 2010
FRS 1 First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3 Business Combinations (revised)	1 July 2010
FRS 127 Consolidated and Separate Financial Statements (amended)	1 July 2010
IC Interpretation 9: Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10: Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11: FRS 2 - Group and Treasury Share Transactions	1 January 2010
IC Interpretation 13: Customer Loyalty Programmes	1 January 2010
IC Interpretation 14: FRS 119 - The Limit on a Defined Benefits Assets, Minimum Funding Requirements and their Interaction	1 January 2010
IC Interpretation 12: Service Concession Arrangements	1 July 2010
IC Interpretation 15: Agreements for the Construction of Real Estate	1 July 2010
IC Interpretation 16: Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17: Distributions of Non-cash Assets to Owners	1 July 2010
Amendments to FRS 1: First-time Adoption of Financial Reporting Standards	1 January 2010
Amendments to FRS 2: Share-based Payment - Vesting Conditions and Cancellations	1 January 2010
Amendments to FRS 7: Financial Instruments: Disclosures	1 January 2010
Amendments to FRS 127: Consolidated and Separate Financial Statements: Cost of investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
Amendments to FRS 132: Financial Instruments: Presentation	1 January 2010
Amendments to FRS 139: Financial Instruments: Recognition and Measurement	1 January 2010
Amendments to FRSs "Improvements to FRSs (2009)"	1 January 2010
Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives	1 January 2010
Amendments to FRS 138: Intangible Assets	1 July 2010
Amendments to FRS 2: Share-based Payment	1 July 2010
Amendments to FRS 5: Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives	1 July 2010
TR i - 3: Presentation of Financial Statements of Islamic Financial Institutions	1 January 2010

5. Significant Accounting Policies (cont'd)

5.3 Standards and Interpretations Issued but Not Yet Effective (cont'd)

The Malaysian Accounting Standards Board also issued "Improvements to FRSs (2009)" which contain amendments to twenty two FRSs and are effective for financial periods beginning on or after 1 January 2010.

The Group and the Company plan to adopt the above pronouncements when they become effective in the respective financial period. Unless otherwise described below, these pronouncements are expected to have no significant impact to the financial statements of the Group and the Company upon their initial application:

(a) FRS 3: Business Combinations (revised) and FRS 127: Consolidated and Separate Financial Statements (amended)

FRS 3 (revised) introduces a number of changes to the accounting for business combinations occurring on or after 1 July 2010. These include changes that affect the valuation of non-controlling interest, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs and future reported results.

FRS 127 (amended) requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction with owners in their capacity as owners and to be recorded in equity. Therefore, such transaction will no longer give rise to goodwill, nor will it give rise to a gain or loss. Furthermore, the amended Standard changes the accounting for losses incurred by the subsidiary as well as loss of control of a subsidiary.

The changes by FRS 3 (revised) and FRS127 (amended) will be applied prospectively and only affect future acquisition or loss of control of subsidiaries and transactions with non-controlling interests.

(b) FRS 8: Operating Segment

FRS 8 replaces FRS 1142004: Segment Reporting and requires a 'management approach', under which segment information is presented on a similar basis to that used for internal reporting purposes. As a result, the Group's external segmental reporting will be based on the internal reporting to the "chief operating decision maker", who makes decisions on the allocation of resources and assesses the performance of the reportable segments. As this is a disclosure standard, there will be no impact on the financial position or results of the Group.

5. Significant Accounting Policies (cont'd)

5.3 Standards and Interpretations Issued but Not Yet Effective (cont'd)

(c) FRS 101: Presentation of Financial Statements (revised)

The revised FRS 101 separates owner and non-owner changes in equity. Therefore, the consolidated statement of changes in equity will now include only details of transactions with owners. All non-owner changes in equity are presented as a single line labelled as total comprehensive income. The Standard also introduces the statement of comprehensive income: presenting all items of income and expense recognised in the income statement, together with all other items of recognised income and expense, either in one single statement, or in two linked statements. The Group is currently evaluating the format to adopt. In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements. This revised FRS does not have any impact on the financial position and results of the Group and the Company.

(d) FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures and Amendments to FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures

The new Standard on FRS 139: Financial Instruments: Recognition and Measurement establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. Requirements for presenting information about financial instruments are in FRS 132: Financial Instruments: Presentation and the requirements for disclosing information about financial instruments are in FRS 7: Financial Instruments: Disclosures.

FRS 7: Financial Instruments: Disclosures is a new Standard that requires new disclosures in relation to financial instruments. The Standard is considered to result in increased disclosures, both quantitative and qualitative of the Group's and Company's exposure to risks, enhanced disclosure regarding components of the Group's and Company's financial position and performance, and possible changes to the way of presenting certain items in the financial statements.

In accordance with the respective transitional provisions, the Group and the Company are exempted from disclosing the possible impact to the financial statements upon the initial application.

5. Significant Accounting Policies (cont'd)

5.3 Standards and Interpretations Issued but Not Yet Effective (cont'd)

(e) Amendments to FRSs 'Improvements to FRSs (2009)

(i) FRS 117 Leases: Clarifies on the classification of leases of land and buildings. The Group is still assessing the potential implication as a result of the reclassification of its unexpired land leases as operating or finance leases. For those land element held under operating leases that are required to be reclassified as finance leases, the Group shall recognise a corresponding asset and liability in the financial statements which will be applied retrospectively upon initial application. However, in accordance with the transitional provision, the Group is permitted to reassess lease classification on the basis of the facts and circumstances existing on the date it adopts the amendments; and recognise the asset and liability related to a land lease newly classified as a finance lease at their fair values on that date; any difference between those fair values is recognised in retained earnings. The Group is currently in the process of assessing the impact of this amendment.

(ii) FRS 140 Investment Property: Property under construction or development for future use as an investment property is classified as investment property. Where the fair value model is applied, such property is measured at fair value. If fair value cannot be reliably determined, the investment under construction will be measured at cost until such time as fair value can be determined or construction is complete. The Group has previously accounted for such assets using the cost model. The amendment also includes changes in terminology in the Standard to be consistent with FRS 108. The change will be applied prospectively.

5.4 Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units ("CGU") to which goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at 31 December 2009 was RM92,088,118 (2008: RM92,088,118). Further details are disclosed in Note 19.

5. Significant Accounting Policies (cont'd)

5.4 Key Sources of Estimation Uncertainty (cont'd)

(ii) Depreciation of property, plant and equipment

The cost of plant and machinery is depreciated on a straight-line basis over the assets' useful lives. Management estimates the useful lives of these plant and machinery to be between 5 to 20 years. These are common life expectancies applied in the plantation and quarry industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(iii) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The total carrying value of recognised tax losses and capital allowances of the Group was RM42,028,380 (2008: RM35,505,996) and the unrecognised capital allowances of the Group was RM2,325,684 (2008: RM2,158,947).

(iv) Allowance for doubtful debts

The Group recognises an allowance for doubtful debts when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables.

Significant judgement is required in the assessment of the recoverability of receivables, which have a financial impact on the amount of allowance for doubtful debts recognised.

6. Revenue

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Sales of crude palm oil	136,515,696	197,312,136	-	-
Sales of palm kernel	14,900,684	27,099,229	-	-
Sales of earth and stones	1,538,789	2,236,320	-	-
Sales of fresh fruit bunches	11,047,527	20,314,471	-	-
Management fees	-	-	2,177,209	2,219,456
Dividend income	-	-	42,950,000	9,000,000
	164,002,696	246,962,156	45,127,209	11,219,456

7. Other Income

	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
Equipment hiring income	56,298	149,049	-	-
Gain on disposal of prepaid land lease payments	-	4,267,871	-	-
Gain on disposal of plant and equipment	-	11,188	-	-
Gain on deemed disposal of subsidiaries	-	5,321	-	-
Interest received on advances given	-	-	776,980	689,277
Interest received on short term investments	553,458	812,879	-	-
Insurance claim	27,620	17,967	-	-
Sales of empty fruit bunches	282,607	-	-	-
Sales of scrapped iron	127,015	-	-	-
Transportation income	137,852	41,024	-	-
Miscellaneous	46,316	57,578	610	-
	1,231,166	5,362,877	777,590	689,277

8. Finance Costs

	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
Interest on:				
Advances obtained	-	-	776,980	689,277
Bankers' acceptances	66,975	24,836	-	-
Bank overdrafts	-	23	-	-
Term loans	1,090,790	1,747,022	-	-
Hire purchase	91,879	104,647	-	-
Revolving credits	16,348	143,680	-	-
Others	-	351	-	351
	1,265,992	2,020,559	776,980	689,628
Less: Interest expense capitalised in biological assets (Note 17):				
Term loans	-	(876,533)	-	-
Hire purchase	-	(18,911)	-	-
	1,265,992	1,125,115	776,980	689,628

9. Profit before Tax

The following amounts have been included in arriving at profit before tax:

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Amortisation of prepaid land lease payments (Note 16)	804,164	1,031,675	-	-
Employee benefits expense (Note 10)	12,828,911	11,332,757	1,517,239	1,725,178
Non-executive Directors' remuneration (Note 11)	113,000	82,000	113,000	82,000
Auditors' remuneration				
- current year	94,050	89,900	33,000	33,000
- underprovided in prior years	4,712	700	-	1,000
Bad debts written off	248,612	170,327	-	-
Provision for doubtful debts	1,104,616	95,757	-	-
Depreciation of property, plant and equipment (Note 15)	4,782,100	4,400,959	18,907	936
Hire of equipment	9,961	161,096	-	-
Equipment written off	70,946	35,232	-	-
Rental of land and buildings	39,469	68,575	12,000	1,000
Loss on disposal of equipment	1,425	-	-	-

10. Employee Benefits Expense

Wages and salaries	12,256,796	12,064,512	1,351,835	1,540,097
Contributions to defined contributions plans	602,937	464,967	160,206	116,697
Social security contributions	53,462	101,824	5,198	68,384
	12,913,195	12,631,303	1,517,239	1,725,178
Capitalised in:				
- Immature plantations	30,790	1,183,627	-	-
- Inventories	53,494	114,919	-	-
Recognised in income statements	12,828,911	11,332,757	1,517,239	1,725,178

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to RM2,074,720 (2008: RM2,558,983) and RM790,217 (2008: RM1,048,752) respectively as further disclosed in Note 11.

11. Directors' Remuneration

	Group		Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
Executive directors' remuneration (Note 10):				
Other emoluments	2,074,720	2,558,983	790,217	1,048,752
Non-executive directors' remuneration (Note 9):				
Fees	113,000	82,000	113,000	82,000
Total directors' remuneration	2,187,720	2,640,983	903,217	1,130,752

The details of remuneration receivable by directors of the Company during the year are as follows:

	Group		Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
Executive:				
Salaries and other emoluments	1,343,500	1,687,658	705,551	936,383
Defined contribution plan	161,220	202,525	84,666	112,369
	1,504,720	1,890,183	790,217	1,048,752
Non-Executive:				
Fees	113,000	82,000	113,000	82,000
	1,617,720	1,972,183	903,217	1,130,752

The number of Directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:

	Number of Directors	
	2009	2008
Executive Directors:		
RM200,001 to RM250,000	1	-
RM350,001 to RM400,000	-	1
RM600,001 to RM650,000	2	-
RM650,001 to RM700,000	-	2
Non-Executive Directors:		
Below RM50,000	3	4

12. Income Tax Expense

	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
Income tax:				
On results for the year	8,154,660	12,197,358	1,171,004	2,372,158
Underprovision in prior years	605,300	4,845	200,359	-
	8,759,960	12,202,203	1,371,363	2,372,158
Deferred tax (Note 21):				
Relating to origination and reversal of temporary differences	(930,525)	(453,655)	-	-
Relating to change in tax rate	-	(1,135)	-	-
Under/(over)provision in prior years	63,175	(55,517)	-	-
	(867,350)	(510,307)	-	-
Total income tax expense	7,892,610	11,691,896	1,371,363	2,372,158

Current income tax is calculated at the Malaysian statutory tax rate of 25% (2008: 26%) of the estimated assessable profit for the year. In the prior year, certain subsidiaries of the Company being Malaysian resident companies with paid-up capital of RM2.5 million or less qualified for the preferential tax rates under Paragraph 2A, Schedule 1 of the Income Tax Act, 1967 as follows:

On the first RM500,000 of chargeable income	:	20%
In excess of RM500,000 of chargeable income	:	26%

However, pursuant to Paragraph 2B, Schedule 1 of the Income Tax Act, 1967 that was introduced with effect from the year of assessment 2009, these subsidiaries no longer qualify for the above preferential tax rates.

12. Income Tax Expense (cont'd)

A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Profit before tax	25,907,074	53,205,281	42,700,249	8,860,844
Taxation at statutory tax rate of 25% (2008: 26%)	6,476,769	13,833,373	10,675,062	2,303,819
Effect on income subject to tax rate of 20%	-	(33,000)	-	-
Effect on change of tax rate on deferred tax	-	(2,662)	-	-
Effect of income not subject to tax	(14,742)	(1,111,655)	(9,612,500)	-
Effect of expenses not deductible for tax purposes	720,424	127,173	108,442	68,339
Effect of utilisation of previously unrecognised unabsorbed capital allowances	-	(29,533)	-	-
Effect of deferred tax asset arising from current year unabsorbed capital allowances not recognised	41,684	-	-	-
Realisation of deferred tax upon disposal of leasehold land	-	(1,041,128)	-	-
Underprovision of income tax expense in prior years	605,300	4,845	200,359	-
Under/(over)provision of deferred tax in prior years	63,175	(55,517)	-	-
Income tax expense for the year	7,892,610	11,691,896	1,371,363	2,372,158

12. Income Tax Expense (cont'd)

	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
Tax savings during the financial year arising from:				
Utilisation of capital allowances brought forward from previous years	370,196	1,663,657	-	-
Utilisation of business losses brought forward from previous years	179,267	-	-	-
Unutilised tax losses and unabsorbed agriculture and capital allowances are analysed as follows:				
Unutilised tax losses carried forward	21,121,805	18,351,537	-	-
Unabsorbed agriculture and capital allowances carried forward	23,224,844	19,313,404	-	-
	44,346,649	37,664,941	-	-

13. Earnings Per Share

(a) Basic

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

	Group 2009 RM	Group 2008 RM
Profit attributable to ordinary equity holders of the Company (RM)	17,421,188	39,903,189
Weighted average number of ordinary shares in issue, excluding treasury shares held by the Company	214,609,117	215,456,915
Basic earnings per share (sen)	8.12	18.52

(b) Diluted

The Group has no potential ordinary shares in issue as at balance sheet date and therefore, diluted earnings per share is same as basic earnings per share.

14. Dividends

	Dividend in Respect of Year		Dividend Recognised in Year	
	2009 RM	2008 RM	2009 RM	2008 RM
Recognised during the year:				
Interim dividends:				
1% single tier dividend on 211,455,915 ordinary shares (excluding 4,001,000 treasury shares) (1.00 sen per ordinary share)	2,114,559	-	2,114,559	-
1% single tier dividend on 215,456,915 ordinary shares (1.00 sen per ordinary share)	-	2,154,569	-	2,154,569
Final dividends:				
2% less 26% taxation on 215,456,915 ordinary shares (1.48 sen per ordinary shares)	-	-	-	3,188,762
1.5% single tier dividend on 215,456,915 ordinary shares (1.50 sen per ordinary shares)	-	3,231,854	3,231,854	-
	2,114,559	5,386,423	5,346,413	5,343,331

At the forthcoming Annual General Meeting, a single tier final dividend in respect of the financial year ended 31 December 2009, of 1% on 211,455,915 ordinary shares amounting to a dividend payable of RM2,114,559 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2010.

15. Property, Plant and Equipment

Group	Buildings, plantation infrastructure and quarry RM	Heavy equipment, plant and machinery RM	Motor vehicles RM	Furniture, fittings and equipment RM	Capital work-in-progress RM	Total RM
At 31 December 2009						
Cost						
At 1 January 2009	47,182,530	43,094,553	3,978,789	2,574,592	2,647,510	99,477,974
Additions	2,043,738	554,748	466,914	304,109	4,441,820	7,811,329
Disposals	-	-	(371,060)	(4,850)	-	(375,910)
Scrapped	(12,300)	(493,001)	-	-	-	(505,301)
Reclassifications	4,535,948	-	-	-	(4,535,948)	-
At 31 December 2009	53,749,916	43,156,300	4,074,643	2,873,851	2,553,382	106,408,092
Accumulated depreciation						
At 1 January 2009	6,969,048	26,599,394	2,044,815	1,832,804	-	37,446,061
Depreciation charge for the year	1,163,017	3,019,237	413,344	186,502	-	4,782,100
Disposals	-	-	(196,503)	(482)	-	(196,985)
Scrapped	(4,397)	(429,958)	-	-	-	(434,355)
At 31 December 2009	8,127,668	29,188,673	2,261,656	2,018,824	-	41,596,821
Net carrying amount						
At 31 December 2009	45,622,248	13,967,627	1,812,987	855,027	2,553,382	64,811,271

15. Property, Plant and Equipment (cont'd)

Group	Buildings, plantation infrastructure and quarry RM	Heavy equipment, plant and machinery RM	Motor vehicles RM	Furniture, fittings and equipment RM	Capital work-in-progress RM	Total RM
At 31 December 2008						
Cost						
At 1 January 2008	43,602,522	41,534,054	3,578,008	2,377,173	954,314	92,046,071
Additions	3,095,820	1,777,029	466,781	197,419	2,177,384	7,714,433
Disposals	-	(4,200)	(66,000)	-	-	(70,200)
Scrapped	-	(212,330)	-	-	-	(212,330)
Reclassifications	484,188	-	-	-	(484,188)	-
At 31 December 2008	47,182,530	43,094,553	3,978,789	2,574,592	2,647,510	99,477,974
Accumulated depreciation						
At 1 January 2008	5,965,532	23,707,302	1,711,794	1,608,257	-	32,992,885
Depreciation charge for the year	1,003,516	3,073,389	382,708	224,547	-	4,684,160
Recognised in income statement	979,976	2,913,188	307,958	199,837	-	4,400,959
Capitalised in biological assets	23,540	160,201	74,750	24,710	-	283,201
Disposals	-	(4,199)	(49,687)	-	-	(53,886)
Scrapped	-	(177,098)	-	-	-	(177,098)
At 31 December 2008	6,969,048	26,599,394	2,044,815	1,832,804	-	37,446,061
Net carrying amount						
At 31 December 2008	40,213,482	16,495,159	1,933,974	741,788	2,647,510	62,031,913

15. Property, Plant and Equipment (cont'd)

Buildings, plantation infrastructure and quarry comprise:

Group	Leasehold property RM	Oil mill and other buildings RM	Plantation infrastructure development expenditure RM	Quarry RM	Total RM
At 31 December 2009					
Cost					
At 1 January 2009	780,094	14,651,046	22,303,392	9,447,998	47,182,530
Additions	-	425,421	1,618,317	-	2,043,738
Scrapped	-	(12,300)	-	-	(12,300)
Reclassifications	-	3,706,041	829,907	-	4,535,948
At 31 December 2009	780,094	18,770,208	24,751,616	9,447,998	53,749,916
Accumulated depreciation					
At 1 January 2009	156,724	5,674,280	751,727	386,317	6,969,048
Depreciation charge for the year	15,602	932,135	215,280	-	1,163,017
Scrapped	-	(4,397)	-	-	(4,397)
At 31 December 2009	172,326	6,602,018	967,007	386,317	8,127,668
Net carrying amount					
At 31 December 2009	607,768	12,168,190	23,784,609	9,061,681	45,622,248

15. Property, Plant and Equipment (cont'd)

Buildings, plantation infrastructure and quarry comprise:

Group	Leasehold property RM	Oil mill and other buildings RM	Plantation infrastructure development expenditure RM	Quarry RM	Total RM
At 31 December 2008					
Cost					
At 1 January 2008	780,094	13,465,318	19,909,112	9,447,998	43,602,522
Additions	-	983,868	2,111,952	-	3,095,820
Reclassifications	-	201,860	282,328	-	484,188
At 31 December 2008	780,094	14,651,046	22,303,392	9,447,998	47,182,530
Accumulated depreciation					
At 1 January 2008	141,122	4,901,646	536,447	386,317	5,965,532
Depreciation charge for the year	15,602	772,634	215,280	-	1,003,516
Recognised in income statement	15,602	749,094	215,280	-	979,976
Capitalised in biological assets	-	23,540	-	-	23,540
At 31 December 2008	156,724	5,674,280	751,727	386,317	6,969,048
Net carrying amount					
At 31 December 2008	623,370	8,976,766	21,551,665	9,061,681	40,213,482

15. Property, Plant and Equipment (cont'd)

Company

	Office Building RM	Furniture, Fittings and Equipment RM	Capital Work-in-Progress RM	Total RM
At 31 December 2009				
Cost				
At 1 January 2009	-	9,550	1,590,760	1,600,310
Additions	-	110,509	497,813	608,322
Reclassification	1,680,000	-	(1,680,000)	-
At 31 December 2009	1,680,000	120,059	408,573	2,208,632
Accumulated depreciation				
At 1 January 2009	-	1,170	-	1,170
Charge for the year	16,800	2,107	-	18,907
At 31 December 2009	16,800	3,277	-	20,077
Net carrying amount				
At 31 December 2009	1,663,200	116,782	408,573	2,188,555
At 31 December 2008				
Cost				
At 1 January 2008	-	9,550	420,000	429,550
Additions	-	-	1,170,760	1,170,760
At 31 December 2008	-	9,550	1,590,760	1,600,310
Accumulated depreciation				
At 1 January 2008	-	234	-	234
Charge for the year	-	936	-	936
At 31 December 2008	-	1,170	-	1,170
Net carrying amount				
At 31 December 2008	-	8,380	1,590,760	1,599,140

15. Property, Plant and Equipment (cont'd)

(i) During the financial year, the Group acquired property, plant and equipment at aggregate cost of RM7,811,329 (2008: RM7,714,433) of which RM229,000 (2008: RM1,163,400) were acquired by means of hire purchase arrangements. Net carrying amounts of property, plant and equipment held under hire purchase arrangements are as follows:

	Group	
	2009	**2008**
	RM	**RM**
Heavy equipment	1,182,004	2,097,498
Motor vehicles	738,863	1,118,564
	1,920,867	3,216,062

(ii) The net carrying amounts of property, plant and equipment pledged as securities for borrowings (Note 28) are as follows:

	Group	
	2009	**2008**
	RM	**RM**
Buildings	4,521,380	3,563,082
Plant and machinery	7,154,512	8,463,945
Plantation infrastructure development expenditure	13,042,258	8,624,297
	24,718,150	20,651,324

16. Prepaid Land Lease Payments

Leasehold land with unexpired period of more than 50 years		
At beginning of year	64,146,398	70,395,829
Amortisation for the year (Note 9)	(804,164)	(1,031,675)
Disposal	-	(5,217,756)
At end of year	63,342,234	64,146,398

The long leasehold land of the Group amounting RM39,029,497 (2008: RM39,231,070) has been pledged as securities for borrowings as disclosed in Note 28.

17. Biological Assets

	Group 2009 RM	Group 2008 RM
Plantation development expenditure		
Cost		
At beginning of year	150,373,608	147,316,500
Additions	307,389	3,057,108
At end of year	150,680,997	150,373,608

	Group 2009 RM	Group 2008 RM
Biological assets incurred during the year included the followings:		
Depreciation of property, plant and equipment (Note 15)	-	283,201
Interest on term loans (Note 8)	-	876,533
Interest on hire purchase (Note 8)	-	18,911
Employee benefits expense (Note 10)	30,790	1,183,627

The biological assets of the Group amounting to RM70,739,561 (2008: RM70,432,172) has been pledged as securities for borrowings, as disclosed in Note 28.

18. Investment Properties

	Group 2009 RM	Group 2008 RM
Cost		
At beginning of year	20,279,089	-
Additions	-	20,279,089
At end of year	20,279,089	20,279,089

The Directors estimate the fair values of the investment properties which are located in prime areas to be approximately RM21,780,000 (2008: RM21,780,000).

19. Intangible Assets

	Group 2009 RM	Group 2008 RM
Goodwill		
At beginning of year	92,088,118	93,265,917
Derecognised upon disposal of land	-	(1,177,799)
At end of year	92,088,118	92,088,118

Allocation of goodwill

Goodwill has been allocated to the Group's CGU identified according to business segment as follows:

	Group 2009 RM	Group 2008 RM
Plantation and mill	87,371,756	87,371,756
Quarry	4,716,362	4,716,362
	92,088,118	92,088,118

Key assumptions used in value-in-use calculations

The recoverable amount of a CGU is determined based on value-in-use calculations using cash flow projections based on financial budgets approved by management.

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

(i) the pre-tax discount rates used is 8%;

(ii) the growth rate used for the plantation companies is determined based on the management's estimate of commodity prices, palm yields, oil extraction rates as well as cost of productions whilst growth rates of companies in other segments are determined based on the industry trends and past performances of the respective companies;

(iii) profit margins are projected based on historical profit margin achieved; and

(iv) the discount rates used are pre-tax and reflect specific rates relating to the relevant segments.

Sensitivity to changes in assumptions

With regard to the assessment of value-in-use of the palm oil products unit and quarry unit, the management believes that no reasonably possible change in the any of the above key assumptions would cause the carrying values of the units to materially exceed their recoverable amounts.

20. Investments in Subsidiaries

	Company 2009 RM	Company 2008 RM
Unquoted shares - at cost	217,208,013	217,203,013

Details of the subsidiaries, which are all incorporated in Malaysia, are as follows:

Name of Subsidiaries	Principal Activities	Proportion of Ownership Interest 2009	Proportion of Ownership Interest 2008
Cepatwawasan Sdn. Bhd.	Cultivation of oil palm	100%	100%
Syarikat Melabau Sdn. Bhd.	Cultivation of oil palm	100%	100%
Wong Tet-Jung Plantations Sdn. Bhd.	Cultivation of oil palm	100%	100%
Razijaya Sdn. Bhd.	Cultivation of oil palm and operation of a quarry	100%	100%
Sri Likas Mewah Sdn. Bhd.	Cultivation of oil palm	100%	100%
Kovusak Sdn. Bhd.	Cultivation of oil palm	100%	100%
Libarran Island Resort Sdn. Bhd.	Investment holding	100%	100%
Bakara Sdn. Bhd.	Cultivation of oil palm	100%	100%
Sungguh Mulia Sdn. Bhd.	Cultivation of oil palm	100%	100%
Prima Semasa Sdn. Bhd.	Cultivation of oil palm, currently under development stage	100%	100%
Ayu Sempurna Sdn. Bhd.	Investment holding	100%	100%
Mistral Engineering Sdn. Bhd.	Intended for power generation and selling Certified Emission Reduction	*	70%
Cash Horse (M) Sdn. Bhd.	Intended for power generation and selling Certified Emission Reduction	*	70%
Cash Nexus (M) Sdn. Bhd.	Intended for investment holding	100%	-

20. Investments in Subsidiaries (cont'd)

Name of Subsidiaries	Principal Activities	Proportion of Ownership Interest 2009	2008
Subsidiaries of Cepatwawasan Sdn. Bhd.			
Prolific Yield Sdn. Bhd.	Milling and sales of oil palm products	100%	100%
Jutategak Sdn. Bhd.	Cultivation of oil palm	100%	100%
Liga Semarak Sdn. Bhd.	Cultivation of oil palm	100%	100%
Tentu Cergas Sdn. Bhd.	Cultivation of oil palm	100%	100%
Tentu Bernas Sdn. Bhd.	Cultivation of oil palm	100%	100%
Subsidiaries of Syarikat Melabau Sdn. Bhd.			
Suara Baru Sdn. Bhd.	Cultivation of oil palm and operation of a quarry	100%	100%
Gelang Usaha Sdn. Bhd.	Cultivation of oil palm	100%	100%
Swifturn Sdn. Bhd.	Dormant	70%	-
Subsidiary of Sri Likas Mewah Sdn. Bhd.			
Ultisearch Trading Sdn. Bhd.	Cultivation of oil palm	100%	100%
Subsidiary of Libarran Island Resort Sdn. Bhd.			
Minelink Sdn. Bhd.	Investment property holding	100%	100%
Subsidiary of Ayu Sempurna Sdn. Bhd.			
Ladang Cepat - KPD Sdn. Bhd.	Cultivation of oil palm	60%	60%
Subsidiaries of Cash Nexus (M) Sdn. Bhd.			
Mistral Engineering Sdn. Bhd.	Intended for power generation and selling Certified Emission Reduction	70%	*
Cash Horse (M) Sdn. Bhd.	Intended for power generation and selling Certified Emission Reduction	70%	*

* Directly held by the Company in 2008.

20. Investments in Subsidiaries (cont'd)

(a) Acquisition of Subsidiaries

(i) During the financial year, Syarikat Melabau Sdn. Bhd., a wholly-owned subsidiary of the Group, acquired one ordinary share of RM1.00 and subscribed for 34,999 ordinary shares of RM1.00 each in Swifturn Sdn. Bhd. representing a total of 70% of the entire issued and paid up capital of the latter for a total consideration of RM35,000.

(ii) During the financial year, the Company acquired two ordinary shares of RM1.00 and subscribed for 179,998 ordinary shares of RM1.00 each in Cash Nexus (M) Sdn. Bhd., representing 100% equity interest of the latter for a total consideration of RM180,000.

(b) There were no acquisitions of subsidiaries during the financial year ended 31 December 2008.

21. Deferred Tax

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
At beginning of year	45,056,281	45,566,588	-	-
Recognised in income statements (Note 12)	(867,350)	(510,307)	-	-
At end of year	44,188,931	45,056,281	-	-
Presented after appropriate offsetting as follows:				
Deferred tax assets	(1,667,195)	(748,881)	-	-
Deferred tax liabilities	45,856,126	45,805,162	-	-
	44,188,931	45,056,281	-	-

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

Deferred Tax Assets of the Group:	Unutilised Tax Losses RM	Unabsorbed Agriculture and Capital Allowances RM	Total RM
At 1 January 2009	(4,587,884)	(4,288,615)	(8,876,499)
Recognised in income statements	(694,419)	(936,177)	(1,630,596)
At 31 December 2009	(5,282,303)	(5,224,792)	(10,507,095)
At 1 January 2008	(3,802,073)	(4,464,358)	(8,266,431)
Recognised in income statements	(785,811)	175,743	(610,068)
At 31 December 2008	(4,587,884)	(4,288,615)	(8,876,499)

21. Deferred Tax (cont'd)

Deferred Tax Liabilities of the Group:

	Prepaid Land Lease Payments RM	Property, Plant and Equipment RM	Biological Assets RM	Total RM
At 1 January 2009	9,853,944	9,631,793	34,447,043	53,932,780
Recognised in income statements	(121,773)	1,295,131	(410,112)	763,246
At 31 December 2009	9,732,171	10,926,924	34,036,931	54,696,026
At 1 January 2008	11,074,297	9,670,471	33,088,251	53,833,019
Recognised in income statements	(1,220,353)	(38,678)	1,358,792	99,761
At 31 December 2008	9,853,944	9,631,793	34,447,043	53,932,780

Deferred tax assets of the Group in respect of unabsorbed capital allowances amounting to RM2,325,684 (2008: RM2,158,947) have not been recognised as there may not be available future taxable profits in one of the subsidiary companies against which the unabsorbed capital allowances can be utilised.

The unutilised tax losses and unabsorbed capital allowances of the Group are available indefinitely for offsetting against future taxable profits of the respective entities within the Group, subject to no substantial change in shareholdings of those entities under the Income Tax Act, 1967 and guidelines issued by the tax authority.

22. Inventories

	Group 2009 RM	2008 RM
At cost:		
Crude palm oil	7,580,161	2,330,499
Palm kernels	1,191,868	508,892
Quarry stocks	4,364,260	4,553,524
Fertilisers and chemicals	2,157,005	5,125,555
Store, spares and consumable supplies	684,617	747,813
Nurseries	392,916	529,934
	16,370,827	13,796,217

There were no inventories stated at net realisable value as at 31 December 2009 and 2008.

23. Trade and Other Receivables

	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
Current				
Trade receivables				
- Third parties	8,577,062	4,731,634	-	-
Less: Provision for doubtful debts	(224,088)	(224,088)	-	-
Trade receivables, net	8,352,974	4,507,546	-	-
Other receivables				
Amounts due from subsidiaries				
- Interest bearing advances	-	-	66,680,068	69,591,946
- Non-interest bearing advances	-	-	24,866,109	24,330,138
	-	-	91,546,177	93,922,084
Amounts recoverable from former directors and third parties	16,000,000	16,000,000	-	-
Amounts receivable on disposal of heavy machinery and equipment	-	202,375	-	-
Advances given to a sub-contractor	1,104,616	1,071,374	-	-
Deposits	553,056	543,090	174,022	76,900
Prepayments	155,265	290,945	14,236	-
Sundry receivables	1,100,209	1,309,040	282,215	276,647
	18,913,146	19,416,824	92,016,650	94,275,631
Less: Provision for doubtful debts	(14,167,085)	(13,348,769)	(272,017)	(272,017)
Other receivables, net	4,746,061	6,068,055	91,744,633	94,003,614
	13,099,035	10,575,601	91,744,633	94,003,614
Non-Current				
Other receivables				
Deposits for acquisition of machinery	1,929,038	-	-	-

23. Trade and Other Receivables (cont'd)

(i) Trade Receivables

The Group's primary exposure to credit risk arises through its trade receivables. The Group's trading terms with its customers are mainly on credit. The credit period is generally for a period 7 days to 14 days. Overdue balances are reviewed regularly by senior management. In view of the aforementioned, there is no significant concentration of credit risk. Trade receivables are non-interest bearing.

(ii) Amounts due from subsidiaries

The advances given to subsidiaries are unsecured and have no fixed terms of repayment.

The interest bearing advances are subject to interest charge based on recovery of borrowing cost incurred by the Company.

(iii) Amounts recoverable from former directors and third parties

These represent wrongful payments made by the former directors who were removed on 6 August 2004 to third parties as referred to in Note 2 to the financial statements. A provision for doubtful debts of RM12,800,000 has been made in respect thereof.

Further details on related party transactions are disclosed in Note 34.

Other information on financial risks of other receivables are disclosed in Note 35.

24. Short Term Investments

	Group	
	2009	2008
	RM	RM
Medium-term money market fund	2,794,527	957,714
Short-term money market fund	338,539	134,550
	3,133,066	1,092,264

Other information on financial risks of short term investments are disclosed in Note 35.

25. Cash and Cash Equivalents

	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
Cash on hand and at bank	3,608,631	4,876,061	327,757	243,330
Deposits with licensed bank	15,141,261	23,671,619	-	-
Cash and bank balances	18,749,892	28,547,680	327,757	243,330
Short term investments (Note 24)	3,133,066	1,092,264	-	-
Total cash and cash equivalents	21,882,958	29,639,944	327,757	243,330

Deposits with financial institutions of the Group amounting to RM150,074 (2008: RM145,897) are pledged as security for banking facilities granted.

Other information on financial risks of cash and cash equivalents are disclosed in Note 35.

26. Share Capital and Treasury Shares

	Number of Ordinary Shares of RM1 Each		Amount	
	Share Capital	Treasury Share	Share Capital	Treasury Share
Issued and fully paid			RM	RM
At 1 January and 31 December 2008	215,456,915	-	215,456,915	-
Purchase of treasury shares	-	(4,001,000)	-	(4,093,695)
Transaction costs	-	-	-	(14,909)
At 31 December 2009	215,456,915	(4,001,000)	215,456,915	(4,108,604)

	Number of Ordinary Shares of RM1 Each		Amount	
	2009 RM	2008 RM	2009	2008
Authorised				
At beginning and end of year	500,000,000	500,000,000	500,000,000	500,000,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

26. Share Capital and Treasury Shares (cont'd)

Treasury Shares

This amount relates to the acquisition cost of treasury shares. The shareholders of the Company, by a resolution passed in an Extraordinary General Meeting held on 29 October 2009 approved the Company's plan to repurchase its own ordinary shares. The Directors of the Company are committed to enhancing the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

During the financial year, 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 transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

Of the total 215,456,915 issued and fully paid ordinary shares as at 31 December 2009, 4,001,000 are held as treasury shares by the Company. As at 31 December 2009, the number of outstanding ordinary shares in issue and fully paid is therefore 211,455,915 ordinary shares of RM1 each.

27. Retained Profits

The Company has elected for the irrevocable option under the Finance Act 2007 to disregard the 108 balance. Hence, the Company will be able distribute dividends out of its entire retained earnings under the single tier system.

28. Borrowings

	Group	
	2009 RM	2008 RM
Short Term Borrowings		
Secured:		
Bankers' acceptance	-	6,000,000
Term loans	4,868,607	1,784,747
Hire purchase payables (Note 29)	650,787	869,541
	5,519,394	8,654,288
Long Term Borrowings		
Secured:		
Term loans	17,694,359	27,257,204
Hire purchase payables (Note 29)	462,823	1,006,817
	18,157,182	28,264,021

28. Borrowings (cont'd)

	Group 2009 RM	Group 2008 RM
Total Borrowings		
Bankers' acceptance	-	6,000,000
Term loans	22,562,966	29,041,951
Hire purchase payables (Note 29)	1,113,610	1,876,358
	23,676,576	36,918,309

Included in borrowings of the Group are amounts totalling RM3,816,511 (2008: RM8,195,437) obtained under the Syariah principle of Bai Inah and Bai Bithaman Ajil.

The above banking facilities are secured by:

(a) legal charges over certain leasehold plantations together with the plant and machinery and palm oil mill of subsidiary companies;
(b) debentures incorporating fixed and floating charges over all the assets of subsidiary companies presently owned and subsequently acquired; and
(c) corporate guarantees given by the Company and a subsidiary company.

Other information on financial risks of borrowings are disclosed in Note 35.

29. Hire Purchase Payables

	Group 2009 RM	Group 2008 RM
Future minimum hire purchase:		
Not later than 1 year	697,798	951,793
Later than 1 year and not later than 2 years	435,280	666,437
Later than 2 years and not later than 5 years	40,764	387,972
	1,173,842	2,006,202
Less: Future finance charges	(60,232)	(129,844)
Present value of hire purchase liabilities	1,113,610	1,876,358
Analysis of present value of hire purchase liabilities		
Not later than 1 year	650,787	869,541
Later than 1 year and not later than 2 years	422,416	628,175
Later than 2 years and not later than 5 years	40,407	378,642
	1,113,610	1,876,358
Less: Amount due within 12 months (Note 28)	(650,787)	(869,541)
Amount due after 12 months (Note 28)	462,823	1,006,817

Other information on financial risks of hire purchase payables are disclosed in Note 35.

30. Lease Rental Payable

This represents sublease rental for 107 parcels of leasehold land of certain subsidiary companies which is payable over the remaining lease term of 49 years commencing in the year 2049.

31. Trade and Other Payables

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Trade payables				
- Third parties	11,426,485	7,103,216	-	-
Other payables				
Amounts due to subsidiaries	-	-	67,306,773	100,910,027
Accruals	3,934,737	4,244,382	545,517	904,275
Sundry payables	1,393,820	1,066,064	130,905	138,008
	5,328,557	5,310,446	67,983,195	101,952,310
Total trade and other payables	16,755,042	12,413,662	67,983,195	101,952,310

(i) Trade payables

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 days to 90 days.

(ii) Amounts due to subsidiaries

These amounts are subject to interest charge based on recovery of borrowing costs incurred by the respective subsidiaries concerned. It is unsecured and have no fixed terms of repayment.

Further details on related party transactions are disclosed in Note 34.

Other information on financial risks of other payables are disclosed in Note 35.

32. Capital Commitments

	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
Purchase of property, plant and equipment				
Approved and contracted for	13,597,255	1,844,784	681,894	480,480
Approved but not contracted for	3,474,111	2,531,010	-	-
	17,071,366	4,375,794	681,894	480,480

33. Contingent Liabilities

Contingent liability not provided for:

Unsecured

	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
Guarantee for banking facilities granted to subsidiaries	-	-	22,562,965	35,041,892

34. Significant Related Party Disclosures

(a) In addition to the transactions detailed elsewhere in the financial statements, the Company had the following transactions with related parties during the financial year:

		Company 2009 RM	Company 2008 RM
Transactions with subsidiary companies:			
- **Trade transactions**			
Management fees received		2,177,209	2,219,456
Interest on advances given	(1)	776,980	689,277
Interest on advances obtained	(2)	776,980	689,277
Gross dividend income		42,950,000	9,000,000

34. Significant Related Party Disclosures (cont'd)

(1) The interest on advances given arose from amounts due from subsidiaries. Further details are disclosed in Note 23(ii).

(2) The interest on advances obtained arose from amounts due to subsidiaries. Further details are disclosed in Note 31(ii).

The Directors are of the opinion that all related party transactions above have been entered into in the normal course of business and have been established on terms and conditions mutually agreed between the relevant parties.

Information regarding outstanding balances arising from related party transactions as at 31 December 2009 are disclosed in Note 23 and Note 31.

(b) Compensation of key management personnel

The remuneration of Directors and other members of key management during the year was as follows:

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Short-term employee benefits	3,038,415	3,233,058	1,128,031	1,362,584
Defined contribution plan	279,135	296,060	122,862	153,427
	3,317,550	3,529,118	1,250,893	1,516,011
Included in the total key management personnel are:				
Directors' remuneration	2,187,720	2,640,983	903,217	1,130,752

35. Financial Instruments

(a) Financial Risk Management Objectives and Policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate risks (both fair value and cash flow), liquidity risk and credit risk. The Group operates within clearly defined guidelines that are approved by the Board of Directors and the Group's policy is not to engage in speculative transactions.

(b) Interest Rate Risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing financial assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest-bearing financial assets are mainly short term in nature and have been mostly placed in fixed deposits.

The Group's interest rate risk arises primarily from interest-bearing borrowings. Borrowings at floating rates expose the Group to cash flow interest rate risk. Borrowing obtained at fixed rates expose the Group to fair value interest rate risk.

35. Financial Instruments (cont'd)

(b) Interest Rate Risk (cont'd)

The following tables set out the carrying amounts, the weighted average effective interest rates (WAEIR) as at the balance sheet date and the remaining maturities of the Group's financial instruments that are exposed to interest rate risk:

	Note	WAEIR %	Within 1 year RM	1-2 years RM	2-3 years RM	3-4 years RM	4-5 years RM	More than 5 years RM	Total RM
At 31 December 2009									
Group									
Fixed rate									
Term loans	28	7.00	2,768,607	296,184	316,670	341,808	93,242	-	3,816,511
Hire purchase	29	6.12	650,787	422,416	40,407	-	-	-	1,113,610
Floating rate									
Term loans	28	3.40	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	8,246,455	18,746,455
Cash and cash equivalents	25	2.00	18,274,327	-	-	-	-	-	18,274,327

35. Financial Instruments (cont'd)

(b) Interest Rate Risk (cont'd)

	Note	WAEIR %	Within 1 year RM	1-2 years RM	2-3 years RM	3-4 years RM	4-5 years RM	More than 5 years RM	Total RM
At 31 December 2008									
Group									
Fixed rate									
Term loans	28	5.91	1,326,427	1,277,971	1,369,149	1,473,465	1,587,355	1,161,070	8,195,437
Hire purchase	29	5.58	869,541	628,175	378,642	-	-	-	1,876,358
Floating rate									
Banker's acceptances	28	3.74	6,000,000	-	-	-	-	-	6,000,000
Term loans	28	4.03	458,320	495,705	536,209	580,022	627,415	18,148,843	20,846,514
Cash and cash equivalents	25	3.70	24,763,883	-	-			-	24,763,883

Interest on financial instruments subject to floating interest rates is contractually repriced at intervals of less than 6 months except for term loans and floating rate loans which are repriced annually. Interest on financial instruments at fixed rates are fixed until the maturity of the instruments. The other financial instruments of the Group and the Company that are not included in the above tables are not subject to interest rate risk.

35. Financial Instruments (cont'd)

(c) Liquidity Risk

The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities of a reasonable level to its overall debt position.

(d) Credit Risk

Credit risks, or the risk of counterparties defaulting, are controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored by limiting the Group's associations to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis via Group management reporting procedures.

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instruments.

(e) Fair Values

There is no disclosure of fair value for borrowings under the basis of Islamic principal as these are excluded from FRS 132 – Financial Instruments: Disclosure and Presentation.

The carrying amount of financial assets and liabilities of the Group and of the Company at the balance sheet date approximated their fair values except for the followings:

	Note	2009 Carrying Amount RM	2009 Fair Value RM	2008 Carrying Amount RM	2008 Fair Value RM
Group					
Financial Assets					
Trade and other receivables	23	3,200,000	++	3,200,000	++
Financial Liabilities					
Lease rental payable	30	267,050	28,293	267,050	27,284

++ It is not practicable to estimate the fair value of the balance recoverable from former directors and third parties due to uncertainties on the outcome of the judgement in respect of the law suit for the recovery of the alleged wrongful payments.

35. Financial Instruments (cont'd)

(e) Fair Values (cont'd)

The following methods and assumptions are used to estimate the fair values of the following classes of financial instruments:

(i) Cash and Cash Equivalents, Receivables/Payables and Short Term Borrowings

The carrying amounts approximate fair values due to the relatively short term maturity of these financial instruments.

(ii) Amounts Due From/To Subsidiary Companies

It is not practicable to estimate the fair values of amounts due from/to subsidiary companies due principally to a lack of fixed repayment terms entered into by the parties involved. However, the Company does not anticipate the carrying amount recorded in the balance sheet to be significantly different from the value that would eventually be received or settled.

(iii) Borrowings

The carrying amounts of borrowings as reflected in the balance sheets approximate to their fair value.

(iv) Lease Rental Payable

The fair value of lease rental payable has been calculated at the present value of the estimated future cash flows, discounted at an assumed rate of 3.7% per annum.

36. Segment Information

The Group comprises the following business segments:

(i) Plantation and mill - Cultivation and sale of oil palm products
(ii) Quarry - Extraction and sale of earth and stones

Business Segments

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segments:

	Plantation and mill RM	Quarry RM	Elimination RM	Consolidated RM
31 December 2009				
Revenue				
External sales	162,463,907	1,538,789	-	164,002,696
Inter-segment sales	-	1,636,205	(1,636,205)	-
Total revenue	162,463,907	3,174,994	(1,636,205)	164,002,696
Results				
Segment results	30,329,227	(1,059,090)		29,270,137
Unallocated corporate expenses				(2,650,529)
Operating profit				26,619,608
Interest income				553,458
Finance costs				(1,265,992)
Profit before tax				25,907,074
Income tax expense				(7,892,610)
Profit for the year				18,014,464

36. Segment Information (cont'd)

Business Segments (cont'd)

31 December 2009	Plantation and mill RM	Quarry RM	Elimination RM	Consolidated RM
Assets				
Segment assets	304,297,844	17,357,630	-	321,655,474
Unallocated corporate assets				124,733,584
Consolidated total assets				446,389,058
Liabilities				
Segment liabilities	15,429,689	403,886	-	15,833,575
Unallocated corporate liabilities				72,871,761
Consolidated total liabilities				88,705,336
Other Information				
Capital expenditure	8,059,568	59,150		8,118,718
Depreciation	4,034,578	747,522		4,782,100
Amortisation	804,164	-		804,164
Non-cash expenses other than depreciation, amortisation and impairment loss	319,558	1,104,616		1,424,174

36. Segment Information (cont'd)

Business Segments (cont'd)

	Plantation and mill RM	Quarry RM	Elimination RM	Consolidated RM
31 December 2008				
Revenue				
External sales	244,725,836	2,236,320	-	246,962,156
Inter-segment sales	-	1,481,714	(1,481,714)	-
Total revenue	244,725,836	3,718,034	(1,481,714)	246,962,156
Results				
Segment results	55,342,475	698,437		56,040,912
Unallocated corporate expenses				(2,523,395)
Operating profit				53,517,517
Interest income				812,879
Finance costs				(1,125,115)
Profit before tax				53,205,281
Income tax expense				(11,691,896)
Profit for the year				41,513,385

36. Segment Information (cont'd)

Business Segments (cont'd)

31 December 2008	Plantation and mill RM	Quarry RM	Elimination RM	Consolidated RM
Assets				
Segment assets	307,843,467	18,263,018	-	326,106,485
Unallocated corporate assets				119,778,825
Consolidated total assets				445,885,310
Liabilities				
Segment liabilities	11,058,436	300,529	-	11,358,965
Unallocated corporate liabilities				85,017,050
Consolidated total liabilities				96,376,015
Other Information				
Capital expenditure	10,771,541	-		10,771,541
Depreciation	3,928,219	472,740		4,400,959
Amortisation	1,031,443	-		1,031,443
Non-cash expenses other than depreciation, amortisation and impairment loss	205,559	95,757		301,316

Geographical Segment

No geographical segment has been provided as the Group activities are predominantly in Malaysia.

List of Properties of the Group
as at 31 December 2009

	Location of Property Sabah	Tenure	Year of Expiry	Land Area		Description	Net Book Value As At 31.12.2009 RM'000	Year Acquired
1	Prolific, Wong Tet-Jung Plantations Off KM 63.7, Sandakan-Lahad Datu Highway	Leasehold 99 years	2069	39.752	hectares	Oil Palm Plantation & Oil Mill	19,518	2001
			2070	30.607	hectares			
			2074	18.195	hectares			
			2075	207.991	hectares			
			2076	9.967	hectares			
			2077	24.460	hectares			2005
			2082	6.463	hectares			
			2082	72.790	hectares			2005
		Perpetuity (Sublease 99 years)	2097	6.435	hectares			
	Kolapis-Beluran Area District of Labuk Sugut	Leasehold 99 years	2073	2.250	hectares	Plantable Reserve		2002
				418.910	**hectares**			
	Prolific Yield Lot 38, Block C Taman Indah Jaya Phase 4A, Mile 4, Jalan Utara, Sandakan	Under Sub Division Leasehold 99 years (Parent title TL077552035)	2081	**167.220**	**Sq.M**	Double Storey Terrace Shoplot	163	2002
	Prolific Yield Lot 39, Block C, Taman Indah Jaya Phase 4A, Mile 4, Jalan Utara, Sandakan	Under Sub Division Leasehold 99 years (Parent title TL077552035)	2081	**167.220**	**Sq.M**	Double Storey Terrace Shoplot	200	2001
	Prolific Yield Lot 40, Block C, Taman Indah Jaya Phase 4A, Mile 4, Jalan Utara, Sandakan	Under Sub Division Leasehold 99 years (Parent title TL077552035)	2081	**213.200**	**Sq.M**	Double Storey Terrace Shoplot	246	2001
2	Melabau, Suara Baru & Gelang Usaha 0.2 Km East of KM 96, Sandakan-Lahad Datu Highway	Leasehold 99 years	2069	27.480	hectares	Oil Palm Plantation	644	2002
			2078	17.110	hectares	Oil Palm Plantation & Quarry	36,137	2001
			2079	260.780	hectares			
			2080	202.303	hectares			
			2081	136.615	hectares			
			2082	88.690	hectares			
			2085	252.660	hectares			
			2086	14.930	hectares			
			2095	4.993	hectares			
			2093	154.700	hectares			
			2097	12.300	hectares			
		Perpetuity (Sublease 99 years)	2075	316.549	hectares			
			2080	136.763	hectares			
			2093	5.751	hectares			
			2097	10.930	hectares			
	KM 28, Jalan Labuk	Leasehold 99 years	2065	3.055	hectares	Plantable Reserve		
				1,645.609	**hectares**			

List of Properties of the Group
as at 31 December 2009 (cont'd)

	Location of Property Sabah	Tenure	Year of Expiry	Land Area		Description	Net Book Value As At 31.12.2009 RM'000	Year Acquired
3	Sri Likas Mewah & Ultisearch Trading 2.6 KM north of KM 31, Sukau Road	Leasehold 99 years	2085	10.120	hectares	Oil Palm Plantation	14,006	2001
			2094	386.100	hectares			
			2096	168.700	hectares			
			2098	47.750	hectares			
				612.670	**hectares**			
4	Bakara Bukit Garam/Sg. Lokan Off KM 76.5, Sandakan-Lahad Highway	Leasehold 99 years	2085	150.300	hectares	Oil Palm Plantation	12,882	2001
			2087	400.000	hectares			
				550.300	**hectares**			
5	Cepatwawasan & Kovusak KM 4.5, Jalan Beluran	Leasehold 99 years	2061	992.700	hectares	Oil Palm Plantation	40,744	2001
			2071	133.550	hectares			
			2078	485.300	hectares			
				1,611.550	**hectares**			
6	Razijaya & Sugguh Mulia Sungai-Sungai Locality, 99 KM North-West of Sandakan	Leasehold 99 years	2098	**362.200**	**hectares**	Oil Palm Plantation, Quarry & Plantable Reserve	15,099	2001
7	Prima Semasa Sonsogon Suyad, Paitan Locality 105 KM North-West of Sandakan	Leasehold 99 years	2094	**2,997.000**	**hectares**	Oil Palm Plantation & Plantable Reserve	31,763	2003
8	Cepatwawasan, Tentu Bernas, Tentu Cergas, Liga Semarak & Jutategak Sg. Kawananan Locality 113 KM North-West of Sandakan	Leasehold 99 years	2097	242.800	hectares	Oil Palm Plantation	8,226	2005
			2098	145.710	hectares			
			2099	48.550	hectares			
			2100	48.520	hectares			
				485.580	**hectares**			
9	Ladang Cepat-KPD 85 KM South-West of Beaufort	Leasehold 99 years	2087	**1,618.740**	**hectares**	Oil Palm Plantation	49,710	2007
10	Cepatwawasan Group Berhad Lot 70, Block 6, Prima Square Mile 4, North Road Sandakan	Leasehold 99 years	2106	**564.386**	**Sq.M**	Three Storey Shop/Office	2,072	2009

List of Properties of the Group
as at 31 December 2009 (cont'd)

	Location of Property Kuala Lumpur	Tenure	Year of Expiry	Land Area	Description	Net Book Value As At 31.12.2009 RM'000	Year Acquired
11	Minelink HS (D) 32033, No. PT 808 Damansara Heights Mukim of Kuala Lumpur	Freehold	-	**1,774.669 Sq.M**	High-end residential property	7,637	2008
	Minelink HS (D) 32033, No. PT 809 Damansara Heights Mukim of Kuala Lumpur	Freehold	-	**1,775.377 Sq.M**	High-end residential property	6,305	2008
	Minelink HS (D) 32033, No. PT 810 Damansara Heights Mukim of Kuala Lumpur	Freehold	-	**1,775.284 Sq.M**	High-end residential property	6,337	2008

Statistical Report
as at 25 February 2010

Issued & Fully Paid-Up Share Capital	:	215,456,915 (including treasury shares of 4,001,000)
Authorised Share Capital	:	500,000,000
Type of Share	:	Ordinary Share of RM1.00 each
No. of Shareholders	:	7,148
Voting Rights	:	One Vote for Every Share

ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of Holdings	No. of Holders	(%)	No. of Shares	Percentage (%)
1 to 99	55	0.769	2,278	0.001
100 to 1,000	1,365	19.096	1,133,307	0.535
1,001 to 10,000	4,302	60.184	20,907,918	9.887
10,001 to 100,000	1,263	17.669	40,159,752	18.992
100,001 to 10,572,794	160	2.238	73,828,560	34.914
10,572,795 and above (5% of issued securities)	3	0.041	75,424,100	35.668
TOTAL	**7,148**	**100.000**	**211,455,915**	**100.000**

LIST OF SUBSTANTIAL SHAREHOLDERS
as per the Register of Substantial Shareholders as at 25 February 2010

Shareholders	No. of Shares Direct	%	No. of Shares Indirect	%	
MHC Plantations Bhd	54,065,800	25.57	20,000,000	9.46	(1)
Dato' Mah Pooi Soo Realty Sdn Bhd	-	-	74,065,800	35.03	(2)
Dato' Mah King Thian @ Mah King Thiam	-	-	74,065,800	35.03	(2)
Dato' Mah King Seng	-	-	74,065,800	35.03	(2)
Datin Seri Ooi Ah Thin	-	-	74,065,800	35.03	(2)
Yew Lee Holdings Sdn. Berhad	10,703,500	5.06	-	-	

Notes:
(1) Deemed interest by virtue of its shareholdings in Yew Lee Holdings Sdn. Berhad and Hutan Melintang Plantations Sdn. Berhad.
(2) Deemed interest by virtue of Section 6A of the Companies Act 1965.

LIST OF DIRECTORS' SHAREHOLDINGS
as per the Register of Directors' Shareholdings as at 25 February 2010

Directors	No. of Shares Direct	%	No. of Shares Indirect	%	
Dato' Mah King Thian @ Mah King Thiam	-	-	74,065,800	35.03	(1)
Dato' Mah King Seng	-	-	74,065,800	35.03	(1)
Tan Ah Seng	100	-	-	-	
Chua Kim Yin	-	-	-	-	
Chan Kam Leong	-	-	-	-	
Choong Pak Wan	10,000	-	-	-	

Note:
(1) Deemed interest by virtue of Section 6A of the Companies Act 1965.

LIST OF TOP 30 HOLDERS as at 25 February 2010

No.	Names	Holdings	%
1	MHC PLANTATIONS BHD.	54,065,800	25.568
2	YEW LEE HOLDINGS SDN. BERHAD	10,703,500	5.061
3	MAYBAN NOMINEES (ASING) SDN BHD *COMMERZBANK (SEA) LTD FOR PIVOT GLOBAL FUND*	10,654,800	5.038
4	HUTAN MELINTANG PLANTATIONS SDN. BERHAD	9,296,500	4.396
5	OSK NOMINEES (TEMPATAN) SDN BERHAD *PLEDGED SECURITIES ACCOUNT FOR TIONG KING SING*	8,702,100	4.115
6	TAN LAI KIM	3,558,500	1.682
7	LI NAI KWONG	3,437,309	1.625
8	JUWITAWAN SDN BHD	2,358,700	1.115
9	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR FONG SILING*	1,529,000	0.723
10	MAYBAN NOMINEES (TEMPATAN) SDN BHD *JINCAN SDN BHD*	1,369,300	0.647
11	SEE LENG TAT	1,327,000	0.627
12	KENANGA NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR TEE KIM TEE @ TEE CHING TEE*	1,251,000	0.591
13	AIBB NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR ENG KIN HONG*	1,105,900	0.522
14	HSBC NOMINEES (ASING) SDN BHD *EXEMPT AN FOR THE BANK OF NEW YORK MELLON*	1,062,000	0.502
15	HSBC NOMINEES (ASING) SDN BHD *EXEMPT AN FOR CREDIT SUISSE*	1,000,000	0.472
16	TAN CHEE SING	1,000,000	0.472
17	TEY POR YEE	1,000,000	0.472
18	AFFIN NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR TEE KIM TEE @ TEE CHING TEE*	915,900	0.433
19	EDMOND HOYT YUNG	900,000	0.425
20	MKW JAYA SDN. BHD.	885,500	0.418
21	RICKOH CORPORATION SDN BHD	860,000	0.406
22	CIMSEC NOMINEES (TEMPATAN) SDN BHD *CIMB BANK FOR KOH KIN LIP*	850,000	0.401
23	HDM NOMINEES (ASING) SDN BHD *DBS VICKERS SECS (S) PTE LTD FOR GREAT FOREST LIMITED*	791,300	0.374
24	PUBLIC NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR LAI BOON KHEE*	695,000	0.328
25	LEE GUAN HUAT	679,900	0.321
26	CIMSEC NOMINEES (TEMPATAN) SDN BHD *CIMB FOR LEOW MING FONG @ LEOW MIN FONG*	670,000	0.316
27	AFFIN NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR ROVENT SDN BHD*	645,400	0.305
28	LAW PEY NGET	530,500	0.250
29	DATO' TEO SOO CHENG	505,000	0.238
30	HOE SENG COMPANY PTE LIMITED	500,000	0.236
	TOTAL	**122,849,909**	**58.097**

CEPATWAWASAN GROUP BERHAD (536499-K)

FORM OF PROXY

No of Shares Held	

I/We ____ (BLOCK LETTERS)

NRIC No./Company No. ____ of

____

being (a) Member(s) of CEPATWAWASAN GROUP BERHAD (536499-K) hereby appoint the following person(s):

Name of proxy, NRIC No. & Address	**No. of shares to be represented by proxy**
1. ________________________________	______________
2. ________________________________	______________

or failing him/her,

1. ________________________________	______________
2. ________________________________	______________

or failing him/her, THE CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us on my/our behalf at the Tenth Annual General Meeting of the Company to be held at Executive Parlour (6th Floor), Sabah Hotel Sandakan, KM 1, Jalan Utara, 90000 Sandakan, Sabah on Wednesday, 28 April 2010 at 10.30 a.m. and at any adjournment thereof and to vote as indicated below:-

RESOLUTION NO.	FOR	AGAINST
1		
2		
3		
4		
5		
6		

Please indicate with an "X" in the space above on how you wish to cast your vote. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit.

Signed this .... day of ...., 2010

____

Signature / Seal of Member

Notes:

(a) A proxy may but need not be a member of the Company and if the proxy is not a member of the Company, the proxy shall be an advocate or an approved company auditor or a person approved by the Registrar of Companies.

(b) To be valid this form duly completed must be deposited at the Company's Share Registrar's Office Tricor Investor Services Sdn. Bhd., Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, not less than forty-eight (48) hours before the time for holding the meeting.

(c) A member shall be entitled to appoint more than one (1) proxy (subject always to a maximum of two (2) proxies at each meeting) to attend and vote at the same meeting.

(d) Where a member appoints more than one (1) proxy (subject always to a maximum of two (2) proxies at each meeting) the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.

(e) If the appointer is a corporation, the Form of Proxy must be executed under its seal or under the hand of its attorney.

(f) Form of Proxy sent through facsimile transmission shall not be accepted.

Please fold here

Stamp

CEPATWAWASAN GROUP BERHAD (536499-K)
c/o Tricor Investor Services Sdn Bhd
Level 17, The Gardens North Tower,
Mid Valley City, Lingkaran Syed Putra,
59200 Kuala Lumpur.

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