

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

**Condensed consolidated statement of comprehensive income**  
**For the Six-months period ended 30 June 2019**

	Current quarter		Cumulative quarter	
	3 months ended 30.06.2019 (Unaudited) RM'000	3 months ended 30.06.2018 (Unaudited) RM'000	6 months ended 30.06.2019 (Unaudited) RM'000	6 months ended 30.06.2018 (Unaudited) RM'000
Revenue	52,670	64,726	105,068	138,030
Cost of sales	(49,104)	(58,216)	(95,126)	(119,154)
<b>Gross profit</b>	<b>3,566</b>	<b>6,510</b>	<b>9,942</b>	<b>18,876</b>
Other operating income	531	149	755	242
Administrative expenses	(1,812)	(2,463)	(4,113)	(4,271)
Other operating expenses	(1,153)	(1,090)	(2,495)	(2,316)
<b>Operating profit</b>	<b>1,132</b>	<b>3,106</b>	<b>4,089</b>	<b>12,531</b>
Finance income	1,920	2,135	3,861	4,160
Finance costs	(1,430)	(1,313)	(2,624)	(2,487)
<b>Net finance income</b>	<b>490</b>	<b>822</b>	<b>1,237</b>	<b>1,673</b>
<b>Profit before tax</b>	<b>1,622</b>	<b>3,928</b>	<b>5,326</b>	<b>14,204</b>
Income tax expense	(962)	(1,077)	(2,034)	(3,730)
<b>Profit net of tax</b>	<b>660</b>	<b>2,851</b>	<b>3,292</b>	<b>10,474</b>
<b>Other comprehensive income</b>				
<b>Item that may be reclassified subsequently to profit or loss:</b>				
Exchange differences on translation of foreign operations	13	15	(33)	(312)
<b>Other comprehensive income for the period, net of tax</b>	<b>13</b>	<b>15</b>	<b>(33)</b>	<b>(312)</b>
<b>Total comprehensive income for the period</b>	<b>673</b>	<b>2,866</b>	<b>3,259</b>	<b>10,162</b>
<b>Profit attributable to:</b>				
Owners of the parent	699	2,467	3,139	9,691
Non-controlling interests	(39)	384	153	783
	<b>660</b>	<b>2,851</b>	<b>3,292</b>	<b>10,474</b>
<b>Total comprehensive (loss)/ income attributable to:</b>				
Owners of the parent	705	2,477	3,117	9,500
Non-controlling interests	(32)	389	142	662
	<b>673</b>	<b>2,866</b>	<b>3,259</b>	<b>10,162</b>
<b>Earnings per share (EPS) attributable to owners of the parent (sen per share)</b>				
Basic	0.23	0.80	1.02	3.14

These condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to these interim financial statements.

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

**Condensed consolidated statement of financial position as at 30 June 2019**

	<b>30.06.2019</b>	<b>31.12.2018</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
Property, plant and equipment	229,304	227,145
Investment properties	43,340	43,340
Intangible assets	17,358	17,358
Land use rights	1,896	1,910
Deferred tax assets	2,917	3,033
Trade and other receivables	139,790	140,836
<b>Total non-current assets</b>	<b>434,605</b>	<b>433,622</b>
Biological assets	1,142	1,142
Inventories	26,541	26,720
Trade and other receivables	20,300	20,567
Tax recoverable	3,365	3,364
Short term investments	13,007	13,860
Deposits placed with licensed banks	7,603	8,658
Cash and bank balances	9,880	8,840
<b>Total current assets</b>	<b>81,838</b>	<b>83,151</b>
<b>TOTAL ASSETS</b>	<b>516,443</b>	<b>516,773</b>
<b>EQUITY</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	318,446	318,446
Treasury shares	(11,097)	(11,097)
Retained earnings	118,998	120,494
Other reserve	(80,422)	(80,354)
Foreign currency translation reserve	(381)	(359)
<b>Total equity attributable to owners of the parent</b>	<b>345,544</b>	<b>347,130</b>
Non-controlling interests	11,397	12,498
<b>Total equity</b>	<b>356,941</b>	<b>359,628</b>
<b>LIABILITIES</b>		
Lease rental payable	267	267
Borrowings	58,044	53,070
Deferred tax liabilities	25,261	24,410
<b>Total non-current liabilities</b>	<b>83,572</b>	<b>77,747</b>
Borrowings	53,859	54,646
Trade and other payables	21,637	24,524
Income tax payables	434	228
<b>Total current liabilities</b>	<b>75,930</b>	<b>79,398</b>
<b>Total liabilities</b>	<b>159,502</b>	<b>157,145</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>516,443</b>	<b>516,773</b>
<b>Net assets per share attributable to owner of the parent (RM)</b>	<b>1.12</b>	<b>1.12</b>

These condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to these interim financial statements.

## Condensed consolidated statement of cash flows for the period ended 30 June 2019

	<b>6 months ended 30.06.2019 (Unaudited) RM'000</b>	<b>6 months ended 30.06.2018 (Unaudited) RM'000</b>
<b>Operating activities</b>		
Profit before tax	5,326	14,204
Adjustments for:		
Depreciation and amortisation	5,340	6,322
Provision for doubtful debt no longer required	(115)	-
Finance costs	2,624	2,487
Property, plant and equipment written off	31	80
Fair value adjustment on Biological assets	-	89
Finance income	(3,861)	(4,160)
Net loss on foreign exchange - unrealised	8	-
<b>Operating profit before working capital changes</b>	<b>9,353</b>	<b>19,022</b>
Decrease in inventories	177	1,658
Decrease in receivables	4,925	6,141
Decrease in payables	(2,885)	(6,456)
<b>Cash generated from operations</b>	<b>11,570</b>	<b>20,365</b>
Interest paid	(2,624)	(2,487)
Income taxes paid	(1,588)	(4,110)
Income taxes refund	723	439
Interest received	358	398
<b>Net cash flows generated from operating activities</b>	<b>8,439</b>	<b>14,605</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(7,184)	(5,159)
Net investment in short term money market funds	853	3,504
<b>Net cash flows used in investing activities</b>	<b>(6,331)</b>	<b>(1,655)</b>
<b>Financing activities</b>		
Purchase of treasury shares in Subsidiary	(111)	-
Dividend Paid	(4,635)	(6,179)
Dividend paid to non-controlling interests	(1,200)	(1,600)
Drawdown of term loans	14,400	3,779
Drawdown of revolving credits		2,500
Repayment of term loans	(9,229)	(7,600)
Repayment of revolving credits	(1,000)	(6,250)
Repayment of obligations under finance leases	(317)	(322)
<b>Net cash flows used in financing activities</b>	<b>(2,092)</b>	<b>(15,672)</b>
<b>Net Increase/(decrease)in cash and cash equivalents</b>	<b>17</b>	<b>(2,722)</b>
<b>Net foreign exchange difference</b>	<b>(32)</b>	<b>(319)</b>
<b>Cash and cash equivalents at beginning of financial period</b>	<b>14,771</b>	<b>19,215</b>
<b>Cash and cash equivalents at end of financial period</b>	<b>14,756</b>	<b>16,174</b>
<b>Cash and cash equivalents at the end of the financial period comprise the following:</b>		
Deposits placed with licensed banks	7,603	8,658
Cash and bank balances	9,880	8,840
	17,483	17,498
Deposits pledged with licensed banks	(2,727)	(1,324)
Cash and cash equivalents at end of financial period	14,756	16,174

These condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to these interim financial statements.

**Condensed consolidated statement of changes in equity for the period ended 30 June 2019**

	← Equity attributable to owners of the parent →		← Attributable to owners of the parent →				→ Distributable →	
			Non-distributable		Share capital	Treasury shares	Other reserve	Foreign currency translation reserve
	Equity, total	of the parent, total	RM'000	RM'000				
At 1 January 2018	517,000	496,771	318,446	(11,097)	(1,943)	107	191,258	20,229
Effect of changes in accounting policies	(154,253)	(148,509)	-	-	(78,411)	(214)	(69,884)	(5,744)
	362,747	348,262	318,446	(11,097)	(80,354)	(107)	121,374	14,485
Total comprehensive income	10,162	9,500	-	-	-	(191)	9,691	662
Dividend paid to non-controlling interests	(1,600)	-	-	-	-	-	-	(1,600)
Dividend	(6,179)	(6,179)	-	-	-	-	(6,179)	-
At 30 June 2018	365,130	351,583	318,446	(11,097)	(80,354)	(298)	124,886	13,547
At 1 January 2019	359,628	347,130	318,446	(11,097)	(80,354)	(359)	120,494	12,498
Total comprehensive income	3,259	3,117	-	-	-	(22)	3,139	142
Effect of Subsidiary treasury Share Transaction	(111)	(68)	-	-	(68)	-	-	(43)
Dividend paid to non-controlling interests	(1,200)	-	-	-	-	-	-	(1,200)
Dividend	(4,635)	(4,635)	-	-	-	-	(4,635)	-
At 30 June 2019	356,941	345,544	318,446	(11,097)	(80,422)	(381)	118,998	11,397

The above condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to these interim financial statements.

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

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

1. Basis of preparation

These condensed consolidated interim financial statements for the period ended 30 June 2019 have been prepared in accordance with Financial Reporting Standard (“FRS”) 134 “Interim Financial Reporting” and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2018.

These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2018.

2. Significant accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2018 except for those standards, amendments and interpretations which are effective from the annual period beginning 1 January 2019. The adoption of the MFRSs and Amendments do not have significant impact on the financial statements of the Group.

3. Auditors’ report on preceding annual financial statements

The auditors’ report on the financial statements of the Group for the year ended 31 December 2018 was not qualified.

4. Segment information

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

- a. Plantation - Cultivation of oil palm
- b. Oil Mill - Milling and sales of oil palm products
- c. Power Plant - Power generation and sales of biomass by-products

**Information about reportable segments**

	Results for the 3 months ended 30 June							
	Plantation		Oil Mill		Power Plant		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>External revenue</b>	1,685	4,114	41,515	52,189	9,034	8,006	52,234	64,309
<b>Inter-segment revenue</b>	7,815	8,931	-	-	-	-	7,815	8,931
<b>Segment profit</b>	(174)	2,040	1,408	1,583	693	686	1,927	4,309

4. Segment information (cont'd)

	<b>3 months ended 30.06.2019 (Unaudited) RM'000</b>	<b>3 months ended 30.06.2018 (Unaudited) RM'000</b>
<b>Segment profit is reconciled to consolidated profit before tax as follows:</b>		
Segment profit	1,927	4,309
Other non-reportable segments	232	55
Elimination of inter-segment profits	(33)	(48)
Unallocated corporate expenses	(504)	(388)
Consolidated profit before tax	<u>1,622</u>	<u>3,928</u>

	<b>Results for the 6 months ended 30 June</b>							
	<b>Plantation</b>		<b>Oil Mill</b>		<b>Power Plant</b>		<b>Total</b>	
	<b>2019 RM'000</b>	<b>2018 RM'000</b>	<b>2019 RM'000</b>	<b>2018 RM'000</b>	<b>2019 RM'000</b>	<b>2018 RM'000</b>	<b>2019 RM'000</b>	<b>2018 RM'000</b>
<b>External revenue</b>	3,497	9,106	85,809	113,120	15,102	15,147	104,408	137,373
<b>Inter-segment revenue</b>	17,273	19,343	-	-	-	-	17,273	19,343
<b>Segment profit</b>	441	8,380	3,292	3,745	2,209	2,947	5,942	15,072
<b>Segment assets</b>	225,363	218,833	38,105	40,179	176,782	178,479	440,250	437,491
<b>Segment liabilities</b>	25,538	23,808	27,776	28,257	42,386	54,222	95,700	106,287

	<b>6 months ended 30.06.2019 (Unaudited) RM'000</b>	<b>6 months ended 30.06.2018 (Unaudited) RM'000</b>
<b>Segment profit is reconciled to consolidated profit before tax as follows:</b>		
Segment profit	5,942	15,072
Other non-reportable segments	317	29
Elimination of inter-segment profits	(123)	(55)
Unallocated corporate expenses	(810)	(842)
Consolidated profit before tax	<u>5,326</u>	<u>14,204</u>

4. Unusual items due to their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial year under review.

5. Changes in estimates

There was no estimation of amount used in the preceding reporting quarter having a material impact in the current reporting quarter.

6. Comments about seasonal or cyclical factors

The Group considers the seasonal or cyclical factors affecting the results of the operations of the Group comprising the cultivation of oil palm and processing of fresh fruit bunches to include general climatic conditions, age profile of oil palms, the cyclical nature of annual production and the movements in commodity prices.

7. Dividend paid

A Single tier dividend of 1.5 sen on 308,967,010 ordinary shares amounting to RM4,634,505 that was approved by the directors on 25 February 2019 was paid on 23 May 2019.

8. Debt and equity securities

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

9. Changes in composition of the Group

There were no changes in the composition of the Group during the quarter ended 30 June 2019.

10. Capital commitments

The amount of capital commitments not provided for in the unaudited interim financial statements as at 30 June 2019 is as follows:

	<b>RM'000</b>
Approved and contracted for	2,730
Approved but not contracted for	<u>21,189</u>
	<u>23,919</u>

11. Changes in contingent liabilities and contingent assets

There were no changes in other contingent liabilities or contingent assets since the last annual statement of financial position as at 31 December 2018.

12. Subsequent events

There were no material subsequent events to the end of the current quarter.

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

**Information required by Main Market Listing Requirements of Bursa Malaysia Securities Berhad**

1. Review of performance

The performance of the Group is tabulated below:-

	Current Quarter		% +/-	Preceding Quarter		% +/-	Cumulative Quarter		% +/-
<b>Financial Performances :-</b>	2 <sup>nd</sup> Qtr19	2 <sup>nd</sup> Qtr18		1 <sup>st</sup> Qtr19			2 <sup>nd</sup> Qtr19	2 <sup>nd</sup> Qtr18	
	RM'000	RM'000		RM'000			RM'000	RM'000	
Revenue	52,670	64,726	-19%	52,398	1%		105,068	138,030	-24%
Operating Profit	1,132	3,106	-64%	2,957	-62%		4,089	12,531	-67%
Profit before tax	1,622	3,928	-59%	3,704	-56%		5,326	14,204	-63%
Profit after tax	660	2,851	-77%	2,632	-75%		3,292	10,474	-69%
Profit attributable to Owners of the parent	699	2,467	-72%	2,440	-71%		3,139	9,691	-68%
Own FFB Production (mt)	28,175	28,962	-3%	32,664	-14%		60,839	61,653	-1%
CPO Production (mt)	17,785	18,355	-3%	20,453	-13%		38,238	39,079	-2%
PK Production (mt)	4,259	4,596	-7%	5,035	-15%		9,294	9,620	-3%
CPO sales (mt)	19,221	18,692	3%	19,501	-1%		38,722	39,309	-1%
PK sales (mt)	4,028	4,757	-15%	5,144	-22%		9,171	9,891	-7%
CPO Price per mt (RM)	1,943	2,360	-18%	1,940	*		1,941	2,397	-19%
PK Price per mt (RM)	1,035	1,698	-39%	1,258	-18%		1,160	1,910	-39%
Mill OER	19.78%	19.89%	-0.1%	19.56%	0.2%		19.66%	19.72%	-0.1%
Electricity Export(MWh)	19,647	18,088	9%	20,831	-6%		40,479	38,011	6%

\* Less than +/- 1%

1. Review of performance (Cont'd)

**Current Quarter vs. Previous Year Corresponding Quarter**

For this quarter under review, the Group recorded revenue of RM52.67 million as compared to a revenue of RM64.73 million in the preceding year corresponding quarter, which is a decrease of RM12.06 million (19%). Profit before tax decreased by RM2.31 million (59%) from a profit before tax of RM 3.93 million in the preceding year corresponding quarter to a Profit before tax of RM1.62 million for the current quarter under review.

The decreases in revenue and profit before tax for the current quarter are mainly due to decreases in CPO, PK and FFB average selling prices by 18%, 39% and 28% respectively.

Performance of the respective operating business segments for this quarter under review as compared to the preceding year corresponding quarter is analyzed as follows:

- i) Plantation – Decreased by RM2.21 million (>100%) from Segment profit of RM2.04 million to Segment loss of RM0.17 million mainly as a result of a decrease in average FFB selling price by 25%.
- ii) Oil Mill – Segment Profit decreased by RM0.18 million (11%) from RM1.58 million to RM 1.41 million mainly due to decrease in FFB processed by 3% and a lower Mill OER margin.
- iii) Power Plant –Segment profit increased marginally by RM0.01 million (1%) from Segment profit of RM0.68 million to a Segment profit of RM0.69 million as the effect of an increase in Power Sales by 1,559MWh (9%) was offset by a decrease in Power sales recognition by RM0.59 million as a result of a change in the estimate used for Power sales recognition under IC Interpretation 12 Service Concession Agreements in the current quarter under review. The 12MW Biomass Power Plant generated and exported 12,831MWh (2018: 13,608MWh) whereas the 4.0MW Biogas Power Plant generated and exported 6,816MWh (2018: 4,479 MWh) for the current quarter to SESB.

**Current Year-to-date vs. Previous Year-to-date**

For this financial period under review, the Group recorded revenue of RM105.07 million as compared to a revenue of RM138.03 million in the preceding year corresponding period, a decrease of RM32.96 million (24%). Profit before taxation for this financial period under review decreased by RM8.88 million (63%) from RM14.20 million to RM5.33 million.

The decreases in revenue and profit before tax for this financial period under review are mainly due to decreases in CPO, PK and FFB average selling prices by 19%, 39% and 28% respectively.

## 1. Review of performance (Cont'd)

Performance of the respective operating business segments for this financial period under review as compared to the preceding year corresponding period is analysed as follows:

- i. Plantation – The decrease in profit before tax by RM7.94 million (95%) from profit before tax of RM8.38 million to a profit before tax of RM0.44 million was mainly due to lower FFB selling price by 26%.
  - ii. Oil Mill – The decrease in profit before tax by RM0.45 million (12%) from profit before tax of RM3.74 million to a profit before tax of RM3.29 million was mainly due a decrease in FFB processed by 2% and a lower Mill OER margin.
  - iii. Power Plant – The decrease in profit before tax by RM0.74 million (25%) from profit before taxation of RM2.95 million to a profit before taxation of RM2.21 million was mainly due to decrease in Power sales recognition by RM1.11 million due to a change in the estimate used for Power sales recognition under IC Interpretation 12 Service Concession Agreements and a lower average EFB oil selling price by 15%. The 12MW Biomass Power Plant generated and exported 26,988 MWh (2018: 29,002 MWh) whereas the 4.0 MW Biogas Power Plant generated and exported 13,491 MWh (2018: 9,009 MWh) for this current period to SESB.
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- ## 2. Comment on material change in profit before tax against immediate preceding quarter

The Group recorded a profit before tax of RM1.62 million in the quarter under review as compared to a profit before tax RM3.70 million in the immediate preceding quarter, a decrease in profit of RM2.08 million(56%) mainly due to :-

- a) a decrease in FFB Production by 14%;
- b) a decrease in average PK selling price by 18%;
- c) a decrease in FFB processed by 14%; and
- d) a decrease in Power Sales to SESB by 1,184MWh (6%)

## 3. Commentary on prospects

The Group foresees palm oil prices to remain under pressure for the remainder of financial year 2019 and thus it poses a huge challenge to the Group performance for 2019.

## 4. Profit forecast or profit guarantee

Not applicable as there was no profit forecast or guarantee published.

5. Profit for the period

	Current quarter		Cumulative quarter	
	3 months ended 30.06.2019 (Unaudited) RM'000	3 months ended 30.06.2018 (Unaudited) RM'000	6 months ended 30.06.2019 (Unaudited) RM'000	6 months ended 30.06.2018 (Unaudited) RM'000
Profit for the period is arrived at after charging:				
Depreciation and amortization Plant and equipment written off	2,108	3,168	5,340	6,322
Provision for doubtful debts no long required	31	68	31	79
Loss on Fair value adjustment on Biological assets	(115)	-	(115)	-
Net loss on foreign exchange - unrealised	-	89	-	89
	8	-	8	-

Save as disclosed above, the other items as required under Appendix 9B, Part A(16) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.

6. Income tax expense

	Current quarter		Cumulative quarter	
	3 months ended 30.06.2019 (Unaudited) RM'000	3 months ended 30.06.2018 (Unaudited) RM'000	6 months ended 30.06.2019 (Unaudited) RM'000	6 months ended 30.06.2018 (Unaudited) RM'000
Income tax				
- Current provision	83	886	605	2,411
- Under provision of tax in prior years	96	-	96	-
	179	886	701	2,411
Deferred tax				
- Relating to origination and reversal of temporary differences	481	181	1,031	1,309
- Under provision of tax in prior years	302	10	302	10
	783	191	1,333	1,319
Total income tax expense	962	1,077	2,034	3,730

The Group's effective tax rate for the current quarter and cumulative quarter was higher than the statutory tax rate of 24% principally due to non-recognition of deferred tax assets arise from tax lossess during the financial year on one of the subsidiaries.

7. Corporate proposals

There was no corporate proposal for the current quarter under review.

8. Borrowings

	<b>As at 30.06.2019 (Unaudited) RM'000</b>	<b>As at 31.12.2018 (Audited) RM'000</b>
<b>Short term borrowings - Secured</b>		
Obligation under finance leases	684	617
Revolving credit	34,550	35,550
Term loans	18,625	18,479
	<u>53,859</u>	<u>54,646</u>
<b>Long term borrowings – Secured</b>		
Obligation under finance leases	1,360	1,411
Term loans	56,684	51,659
	<u>58,044</u>	<u>53,070</u>
 Total borrowings	 <u>111,903</u>	 <u>107,716</u>

The Group's total borrowings include a loan amount of RM22.50 million (31.12.2018: RM27.97 million) under the Green Technology Financing Scheme for the renewable power plants.

9. Trade Receivables and other receivables

	<b>As at 30.06.2019 (Unaudited) RM'000</b>	<b>As at 31.12.2018 (Audited) RM'000</b>
<b>Current</b>		
Third parties	6,992	5,605
Amount due from customer on service concession	8,175	9,783
Less : Allowance for impairment	(333)	(485)
	<u>14,834</u>	<u>14,903</u>
Other receivables, net	5,466	5,664
	<u>20,300</u>	<u>20,567</u>
<b>Non Current</b>		
Amount due from customer on service concession	139,790	140,836
 Ageing analysis of Current trade receivables :-		
Neither past due nor impaired	14,607	14,767
1 to 30 days	157	51
31 to 60 days	56	37
61 to 90 days	41	44
More than 91 days	306	489
	<u>15,167</u>	<u>15,388</u>
Less : Allowance for impairment	(333)	(485)
	<u>14,834</u>	<u>14,903</u>

Trade receivables are non-interest bearing and generally on 7 to 30 days terms.

## 10. Disclosure of derivatives

The Group did not enter into any derivative contract and accordingly there were no outstanding derivatives (including financial instruments designated as hedging instruments) as at 30 June 2019.

## 11. Material litigation

Yuh @ Abdul Salleh Bin Pompulu (“AYU”) Vs Suwaya Bte Buang (“SUWAYA”), Suara Baru Sdn Bhd (“SBSB”) and Cepatawawasan Group Berhad (“the Company”)

The Company and SBSB (a wholly-owned subsidiary held through Syarikat Melabau Sdn. Bhd., another wholly-owned subsidiary of the Company) have been served with a Writ of Summons issued by the High Court in Sabah and Sarawak at Sandakan vide Suit No. SDK-22NCvC-12/6-2016 (HC) on 14.06.2016. SBSB is the sub-lessee of 33 lots of land (“the Lands”) totaling approximately 337.949 acres situated in Sungai Sekong in the District of Sandakan, Sabah. The Lands are leased from SUWAYA to SBSB for a term of 99 years. The lease commenced in the year 1997 and will expire in the year 2096. The lands had been transferred to SUWAYA by their previous 33 owners, including AYU. AYU, on his behalf and the other 32 previous owners, alleges that the transfer of the land to SUWAYA was through forged documents and therefore the said transfer is null and void. AYU further alleges that as the transfer to SUWAYA is null and void, therefore the sublease by SUWAYA to SBSB is likewise null and void. AYU therefore seeks an order of the High Court to set aside the said transfer to the SUWAYA and also the sublease to SBSB.

SBSB and the Company had filed their Defence (“Defence”) in the High Court in Sabah and Sarawak at Sandakan on 11 July 2016, followed by an application in the High Court in Sabah and Sarawak at Sandakan on 26th August 2016 to strike out the Suit on the ground that the Suit is frivolous or vexatious or is otherwise an abuse of the process of the Court.

The striking out application came up for hearing on 26th September 2016 where the Court directed the parties to file their respective written submissions. On 1 December 2016, the application to strike out was dismissed by the High Court in Sabah and Sarawak at Sandakan (“Sandakan High Court”) with costs, on the ground that it was not a proper case to be disposed of by way of affidavit evidence and the Suit is fixed for trial on 17 April 2017 to 21 April 2017 before the Sandakan High Court.

On 28 December 2016, the Company and SBSB filed an appeal to the Court of Appeal against the decision of the High Court. The said appeal was heard and dismissed by the Court of Appeal with no order as to costs on 17th November 2017.

SBSB and the Company have on 12 December 2017 filed a motion for leave to appeal to the Federal Court against the decision of the Court of Appeal. The application for leave to appeal to the Federal Court was heard and allowed by the Federal Court on 13th April 2018.

The appeal to Federal Court was heard on 24 June 2019 and dismissed by Federal Courts with costs of RM10,000 awarded to AYU. Following the decision by Federal Court, the High Court at Sandakan, Sabah has fixed the trial date on 29 October 2019.

The Board of Directors of the Company is of the view that the Suit will have no immediate material financial and operational impact on the Company and Group as the Company expects that pursuant to the facts of the case, the documents presently available and the advice of its solicitors, the Company has a good defence against the Plaintiff’s claim.

## 12. Dividend payable

No interim ordinary dividend has been declared for the financial period ended 30 June 2019.

## 13. Earnings per share

### (a) Basic

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

	<b>Current quarter</b>		<b>Cumulative quarter</b>	
	<b>3 months ended 30.06.2019 (Unaudited)</b>	<b>3 months ended 30.06.2018 (Unaudited)</b>	<b>6 months ended 30.06.2019 (Unaudited)</b>	<b>6 months ended 30.06.2018 (Unaudited)</b>
Profit for the period attributable to owners of the parent used in computation of earnings per share (RM'000)	699	2,467	3,139	9,691
Weighted average number of ordinary shares in issue ('000)	308,967	308,967	308,967	308,967
Basic earnings per share (sen per share)	0.23	0.80	1.02	3.14

### (b) Diluted

The Group has no potential ordinary shares in issue as at balance sheet date and therefore, diluted earnings per share have not been presented.

## 14. Authorisation for issue

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the directors on 24 July 2019.