

CEPATWAWASAN GROUP BERHAD

(Company No. 536499-K)

**Condensed consolidated statement of comprehensive income
For the quarter and month ended 31 March 2011**

	Individual quarter		Cumulative quarter	
	3 months ended 31.3.2011 RM'000 (Unaudited)	3 months ended 31.3.2010 RM'000 (Unaudited)	3 months ended 31.3.2011 RM'000 (Unaudited)	3 months ended 31.3.2010 RM'000 (Unaudited)
Revenue	60,506	49,140	60,506	49,140
Cost of sales	(47,966)	(39,320)	(47,966)	(39,320)
Gross profit	12,540	9,820	12,540	9,820
Other income	524	336	524	336
Distribution expenses	(765)	(1,157)	(765)	(1,157)
Administrative expenses	(1,318)	(1,643)	(1,318)	(1,643)
Results from operating activities	10,981	7,356	10,981	7,356
Finance income	179	108	179	108
Finance costs	(132)	(239)	(132)	(239)
Net finance costs	47	(131)	47	(131)
Profit before tax	11,028	7,225	11,028	7,225
Income tax expense	(2,473)	(1,814)	(2,473)	(1,814)
Profit/total comprehensive income for the period	8,555	5,411	8,555	5,411
Profit attributable to:				
Owners of the parent	8,152	5,197	8,152	5,197
Minority interests	403	214	403	214
Profit/total comprehensive income for the period	8,555	5,411	8,555	5,411
Earnings per share attributable to owners of the parent (sen per share)				
Basic EPS	3.87	2.46	3.87	2.46

The above condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

CEPATWAWASAN GROUP BERHAD
(Company No. 536499-K)

Condensed consolidated statement of financial position as at 31 March 2011

	31.3.2011	31.12.2010
	RM'000	RM'000
	(Unaudited)	(Audited)
ASSETS		
Property, plant and equipment	142,116	137,415
Biological assets	151,084	151,021
Investment properties	20,279	20,279
Intangible assets	92,088	92,088
Land use rights	2,128	2,134
Deferred tax assets	2,272	2,312
Other receivables	4,906	2,705
Total non-current assets	414,873	407,954
Inventories	9,611	9,245
Trade and other receivables	14,616	14,806
Tax recoverable	380	257
Short term investments	6,593	6,259
Deposits placed with licensed banks	23,098	33,096
Cash and bank balances	4,366	4,133
Total current assets	58,664	67,796
TOTAL ASSETS	473,537	475,750
EQUITY		
Equity attributable to owners of the parent		
Share capital	215,457	215,457
Treasury shares	(8,884)	(4,109)
Retained earnings	159,301	151,149
Total equity attributable to owners of the parent	365,874	362,497
Minority interests	16,828	16,425
Total equity	382,702	378,922
LIABILITIES		
Lease rental payable	267	267
Borrowings	20,966	21,496
Deferred tax liabilities	45,161	45,585
Total non-current liabilities	66,394	67,348
Borrowings	2,819	2,946
Trade and other payables	20,357	24,297
Income tax payables	1,265	2,237
Total current liabilities	24,441	29,480
Total liabilities	90,835	96,828
TOTAL EQUITY AND LIABILITIES	473,537	475,750
Net assets per share attributable to owners of the parent (RM)	1.77	1.72

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

CEPATWAWASAN GROUP BERHAD

(Company No. 536499-K)

Condensed Consolidated Cash Flow Statement for the period ended 31 March 2011

	3 months ended 31.3.2011 RM'000 (Unaudited)	3 months ended 31.3.2010 RM'000 (Unaudited)
Net cash generated from operating activities	2,316	12,111
Net cash used in investing activities	(5,939)	(2,096)
Net cash (used in)/generated from financing activities	(5,809)	14,038
Net (decrease)/increase in cash and cash equivalents	<u>(9,432)</u>	<u>24,053</u>
Cash and cash equivalents at beginning of financial period	43,489	21,883
Cash and cash equivalents at end of financial period	<u>34,057</u>	<u>45,936</u>

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

	As at 31.3.2011 RM'000	As at 31.3.2010 RM'000
Short term investments	6,593	3,853
Deposits placed with licensed banks	23,098	38,990
Cash and bank balances	<u>4,366</u>	<u>3,093</u>
	<u>34,057</u>	<u>45,936</u>

The above condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

CEPATWAWASAN GROUP BERHAD
(Company No. 536499-K)

Condensed consolidated statement of changes in equity for the period ended 31 March 2011

	← Attributable to owners of the parent →			Total	Minority Interests	Total Equity
	← Non-distributable →	Treasury	Distributable			
	Share Capital RM'000	Shares RM'000	Retained Earnings RM'000			
At 1 January 2010	215,457	(4,109)	130,496	341,844	15,840	357,684
Profit for the period	-		5,197	5,197	214	5,411
At 31 March 2010	<u>215,457</u>	<u>(4,109)</u>	<u>135,693</u>	<u>347,041</u>	<u>16,054</u>	<u>363,095</u>
At 1 January 2011	215,457	(4,109)	151,149	362,497	16,425	378,922
Profit for the period	-	-	8,152	8,152	403	8,555
Purchase of treasury shares	-	(4,775)	-	(4,775)	-	(4,775)
At 31 March 2011	<u>215,457</u>	<u>(8,884)</u>	<u>159,301</u>	<u>365,874</u>	<u>16,828</u>	<u>382,702</u>

The above condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

CEPATWAWASAN GROUP BERHAD
(Company No. 536499-K)

Notes to the condensed consolidated interim financial statements

1. Basis of preparation

These condensed consolidated interim financial statements have been prepared in accordance with the requirements of FRS 134 “Interim Financial Reporting” and paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad and it should be read in conjunction with the audited financial statements of the Group as at and for the year ended 31 December 2010.

The accounting policies used in the preparation of interim financial statements are consistent with those previously adopted in the audited financial statements of the Group for the year ended 31 December 2010. These explanatory notes attached to the interim financial statement provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2010.

2. Changes in accounting policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements for the year ended 31 December 2010, except for the adoption of the following:

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

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

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

FRS 1: First-time Adoption of Financial Reporting Standards

FRS 3: Business Combinations (revised)

Amendments to FRS 2: Share-based Payment

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

Amendments to FRS 127: Consolidated and Separate Financial Statements

Amendments to FRS 138: Intangible Assets

Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives

IC Interpretation 12: Service Concession Arrangements

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

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

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

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

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

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

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

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

Amendments to FRS 7: Improving Disclosures about Financial Instruments

IC Interpretation 4 : Determining whether an Arrangement Contains a Lease

IC Interpretation 18: Transfer of Assets from Customers

Technical Release 3: Guidance on Disclosures of Transition to IRFSs

2. Changes in accounting policies (Contd.)

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

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

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

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

3. Auditors’ report on preceding annual financial statements

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

4. Segmental information

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

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

Information about reportable segments

	For the Three months ended 31 March					
	Plantation		Oil Mill		Total	
	2011	2010	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	8,375	3,800	51,815	44,659	60,190	48,459
Inter-segment revenue	11,636	11,248	-	-	11,636	11,248
Segment profit	12,556	7,046	(1,247)	455	11,309	7,501
Segment assets	273,831	259,539	45,212	49,802	319,043	309,341
Segment liabilities	6,298	8,030	15,249	10,735	21,547	18,765

Reconciliation of reportable segment profit	2011	2010
	RM'000	RM'000
Total profit for reportable segments	11,309	7,501
Other non-reportable segments	89	433
Elimination of inter-segment profits	(130)	(325)
Other corporate expenses	(240)	(384)
Consolidated profit before tax	<u>11,028</u>	<u>7,225</u>

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

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

6. Changes in estimates

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

7. Comments about seasonal or cyclical factors

In line with the trend of Fresh Fruit Bunches (FFB) production in the oil palm industry, the Group expects 'low' crop in the beginning of the year and 'high' crop towards the second half of the year.

8. Dividend paid

There were no dividends paid during the financial year-to-date.

9. Carrying amount of revalued assets

The valuations of property, plant and equipment have been brought forward without amendment from the audited financial statements for the year ended 31 December 2010.

10. Debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities, except as disclosed below.

During the current financial quarter, the Company repurchased 3,977,300 of its issued ordinary shares from the open market at an average price of RM1.20 per share. The total consideration paid for the purchase including transaction costs was RM4,774,913. The repurchase transaction was financed by internally generated funds. The repurchased share are being held as treasury shares and treated in accordance with the requirement of Section 67A of the Companies Act 1965. None of the treasury shares has been resold or distributed as share dividends during the current financial period.

11. Changes in composition of the Group

There were no changes in the composition of the Group during the current quarter ended 31 March 2011.

12. Capital commitments

The amount of capital commitments not provided for in the unaudited interim financial statements as at 31 March 2011 is as follows:

	RM'000
Approved and contracted for	43,551
Approved but not contracted for	<u>17,437</u>
	<u>60,988</u>

13. Changes in contingent liabilities and contingent assets

There were no changes in other contingent liabilities or contingent assets since the last annual statement of financial position as at 31 December 2010.

14. Subsequent events

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

Information required by BMSB Listing Requirements

1. Review of performance

For this quarter under review, the Group recorded a revenue of RM60.51 million, which is an increase of RM11.37 million as compared to the preceding year corresponding quarter due to higher CPO and PK prices by 46% and 121% respectively despite a 23% and 35% decrease in CPO and PK sales volume respectively.

The Group reported a profit before tax of RM11.03 million for this quarter under review, which is an increase of 53% from the preceding year corresponding quarter mainly due to higher CPO and PK prices by 46% and 121% respectively despite a 12% decrease in FFB production and lower CPO extraction rate because of adverse weather.

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

Profit before tax in this quarter under review is lower at RM11.03 million as compared to RM11.86 million in the immediate preceding quarter due to a 19% decrease in FFB production and lower CPO extraction rate because of seasonal factor and adverse weather despite higher CPO and PK prices by 17% and 31% respectively.

3. Commentary on prospects

Barring any unforeseen circumstances, the Board is confident that the Group's prospects will remain bright in view that CPO and PK prices has recently stabilised around RM3,200 and RM2,500 per metric tonne respectively.

4. Profit forecast or profit guarantee

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

5. Income tax expense

	Individual quarter		Cumulative quarter	
	3 months	3 months	3 months	3 months
	ended	ended	ended	ended
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
	RM'000	RM'000	RM'000	RM'000
Current tax	2,857	2,418	2,857	2,418
Deferred tax	(384)	(604)	(384)	(604)
Total income tax expense	<u>2,473</u>	<u>1,814</u>	<u>2,473</u>	<u>1,814</u>

The effective tax rate for the current quarter and the cumulative quarter ended 31 March 2011 was lower than the statutory tax rate of 25% principally due to certain provisions in previous year were allowed to deduct in this quarter.

6. Sale of unquoted investments and properties

There were no sales of unquoted investments and properties during the reporting quarter.

7. Quoted securities

There were no purchases and disposals of quoted securities for the current quarter under review.

8. Corporate proposals

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

9. Borrowings

	As at 31.03.2011 RM'000	As at 31.12.2010 RM'000
Secured		
Short term borrowings	2,819	2,946
Long term borrowings	20,966	21,496
	<u>23,785</u>	<u>24,442</u>

10. Disclosure of derivatives

There were no outstanding derivatives (including financial instruments designated as hedging instruments) as at 31 March 2011.

11. Retained Earnings

	As at 31.03.2011 RM'000	As at 31.12.2010 RM'000
Realised	217,275	209,131
Unrealised	(10,883)	(11,483)
	<u>206,392</u>	<u>197,648</u>
Consolidation adjustments	(47,091)	(46,499)
Total Group retained earnings as per consolidated accounts	<u>159,301</u>	<u>151,149</u>

12. Dividend payable

No interim dividend has been declared for the financial period ended 31 March 2011 (31 March 2010: Nil).

13. Earnings per share

(a) Basic

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

	Individual quarter		Cumulative quarter	
	3 months ended 31.03.2011	3 months ended 31.03.2010	3 months ended 31.03.2011	3 months ended 31.3.2010
	RM'000	RM'000	RM'000	RM'000
Profit attributable to owners of the parent	8,152	5,197	8,152	5,197
Weighted average number of ordinary shares in issue ('000)	210,666	211,456	210,666	211,456
Basic earnings per share (sen) for: Profit for the period	3.87	2.46	3.87	2.46

(b) Diluted

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

14. Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 21 April 2011.