

CEPATWAWASAN GROUP BERHAD

(Company No. 536499-K)

**Condensed consolidated statement of comprehensive income
For the quarter and year ended 31 December 2011**

	Individual quarter		Cumulative quarter	
	3 months ended 31.12.2011 RM'000 (Unaudited)	3 months ended 31.12.2010 RM'000 (Audited)	12 months ended 31.12.2011 RM'000 (Unaudited)	12 months ended 31.12.2010 RM'000 (Audited)
Revenue	71,412	76,965	290,269	231,816
Cost of sales	(54,092)	(61,625)	(217,937)	(185,467)
Gross profit	17,320	15,340	72,332	46,349
Other income	118	611	1,605	2,062
Distribution expenses	(1,427)	(1,145)	(4,902)	(4,459)
Administrative expenses	(2,566)	(2,926)	(7,109)	(8,309)
Results from operating activities	13,445	11,880	61,926	35,643
Finance income	285	196	841	577
Finance costs	(160)	(213)	(567)	(943)
Net finance costs	125	(17)	274	(366)
Profit before tax	13,570	11,863	62,200	35,277
Income tax expense	(3,766)	(3,344)	(15,771)	(9,409)
Profit/total comprehensive income for the period/year	9,804	8,519	46,429	25,868
Profit attributable to:				
Owners of the parent	9,233	8,285	43,916	24,883
Non-controlling interests	571	234	2,513	985
Profit/total comprehensive income for the period/year	9,804	8,519	46,429	25,868
Earnings per share (EPS) attributable to owners of the parent (sen per share)				
Basic EPS	2.98	2.63	14.12	7.91

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 December 2011

	31.12.2011	31.12.2010
	RM'000	RM'000
	(Unaudited)	(Audited)
ASSETS		
Property, plant and equipment	164,896	137,415
Biological assets	151,876	151,021
Investment properties	20,279	20,279
Intangible assets	92,088	92,088
Land use rights	2,106	2,134
Deferred tax assets	2,191	2,312
Other receivables	8,697	2,705
Total non-current assets	442,133	407,954
Inventories	18,606	9,245
Trade and other receivables	16,591	14,806
Tax recoverable	99	257
Short term investments	11,168	6,259
Deposits placed with licensed banks	26,008	33,096
Cash and bank balances	7,226	4,133
Total current assets	79,698	67,796
TOTAL ASSETS	521,831	475,750
EQUITY		
Equity attributable to owners of the parent		
Share capital	215,457	215,457
Treasury shares	(11,096)	(4,109)
Retained earnings	186,796	151,149
Total equity attributable to owners of the parent	391,157	362,497
Non-controlling interests	18,338	16,425
Total equity	409,495	378,922
LIABILITIES		
Lease rental payable	267	267
Borrowings	38,819	21,496
Deferred tax liabilities	45,880	45,585
Total non-current liabilities	84,966	67,348
Borrowings	3,111	2,946
Trade and other payables	22,231	24,297
Income tax payables	2,028	2,237
Total current liabilities	27,370	29,480
Total liabilities	112,336	96,828
TOTAL EQUITY AND LIABILITIES	521,831	475,750
Net assets per share attributable to owners of the parent (RM)	1.90	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 year ended 31 December 2011

	12 months ended 31.12.2011 RM'000 (Unaudited)	12 months ended 31.12.2010 RM'000 (Audited)
Operating activities		
Profit before taxation	62,200	35,277
Adjustments for:		
Depreciation and amortisation	6,330	5,923
Equipment scrapped	-	18
Impairment loss on receivables	-	191
Finance costs	567	772
Bad debts written off	18	159
Inventories written off	28	-
Loss on disposal of equipment	1	(43)
Interest income	(838)	(582)
Goodwill written off	-	15
Gain on disposal of property	(378)	-
Operating profit before working capital changes	67,928	41,730
(Increase)/Decrease in inventories	(9,538)	7,125
Increase in receivables	(7,777)	(2,834)
(Decrease)/Increase in payables	(2,083)	7,542
Cash generated from operations	48,530	53,563
Interest paid	(761)	(772)
Income taxes paid	(15,774)	(10,256)
Tax refunded	367	-
Interest received	838	582
Net cash generated from operating activities	33,200	43,117
Investing activities		
Proceeds from disposal of property, plant and equipment	1,143	398
Purchase of property, plant and equipment	(32,423)	(17,289)
Additions to biological assets	(855)	(340)
Additional investment in subsidiaries	-	(15)
Net cash used in investing activities	(32,135)	(17,246)
Financing activities		
Dividend paid	(8,269)	(4,229)
Dividend paid to non-controlling interests	(600)	(400)
Purchase of treasury shares	(6,987)	-
Drawdown of term loans	18,995	6,000
Drawdown of revolving credits	16,200	18,000
Repayment of bank loans	(2,426)	(4,899)
Payment of revolving credits	(16,200)	(18,000)
Repayment of obligations under finance leases	(864)	(738)
Net cash used in financing activities	(151)	(4,266)
Net increase in cash and cash equivalents	914	21,605
Cash and cash equivalents at beginning of financial year	43,488	21,883
Cash and cash equivalents at end of financial year	44,402	43,488
Cash and cash equivalents at the end of the financial year comprise the following:		
	As at 31.12.2011 RM'000	As at 31.12.2010 RM'000
Short term investments	11,168	6,259
Deposits placed with licensed banks	26,008	33,096
Cash and bank balances	7,226	4,133
	44,402	43,488

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 year ended 31 December 2011

	← Attributable to owners of the parent →			Total	Non-controlling Interests	Total Equity
	← Non-distributable Share Capital RM'000	→ Treasury Shares RM'000	Distributable Retained Earnings RM'000			
At 1 January 2010	215,457	(4,109)	130,496	341,844	15,840	357,684
Profit for the year	-	-	24,883	24,883	985	25,868
Dividend paid to non-controlling interests	-	-	-	-	(400)	(400)
Dividend	-	-	(4,230)	(4,230)	-	(4,230)
At 31 December 2010	<u>215,457</u>	<u>(4,109)</u>	<u>151,149</u>	<u>362,497</u>	<u>16,425</u>	<u>378,922</u>
At 1 January 2011	215,457	(4,109)	151,149	362,497	16,425	378,922
Profit for the year	-	-	43,916	43,916	2,513	46,429
Purchase of treasury shares	-	(6,987)	-	(6,987)	-	(6,987)
Dividend paid to non-controlling interests	-	-	-	-	(600)	(600)
Dividend	-	-	(8,269)	(8,269)	-	(8,269)
At 31 December 2011	<u>215,457</u>	<u>(11,096)</u>	<u>186,796</u>	<u>391,157</u>	<u>18,338</u>	<u>409,495</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.

The adoption of the above revised FRSs, IC Interpretation and Amendments do not have any significant financial impact on 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 2010 was not qualified.

4. Segmental information

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

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

Information about reportable segments

	Results for the 3 months ended 31 December					
	Plantation		Oil Mill		Total	
	2011	2010	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	8,166	5,989	62,251	70,670	70,417	76,659
Inter-segment revenue	15,906	16,115	-	-	15,906	16,115
Segment profit	12,790	11,650	912	746	13,702	12,396
Reconciliation of reportable segment profit					2011	2010
					RM'000	RM'000
Total profit for reportable segments					13,702	12,396
Other non-reportable segments					612	176
Elimination of inter-segment profits					(167)	(183)
Other corporate expenses					(577)	(526)
Consolidated profit before tax					<u>13,570</u>	<u>11,863</u>

Results for the 12 months ended 31 December

	Plantation		Oil Mill		Total	
	2011	2010	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000

External revenue	34,655	17,917	252,507	212,094	287,162	230,011
Inter-segment revenue	61,402	52,733	-	-	61,402	52,733
Segment profit	58,706	34,999	4,240	2,778	62,946	37,777
Segment assets	280,544	270,227	64,550	56,130	345,094	326,357
Segment liabilities	7,606	6,744	15,600	16,995	23,106	23,739

Reconciliation of reportable segment profit	2011	2010
	RM'000	RM'000
Total profit for reportable segments	62,946	37,777
Other non-reportable segments	1,270	317
Elimination of inter-segment profits	(554)	(1,012)
Other corporate expenses	(1,462)	(1,805)
Consolidated profit before tax	62,200	35,277

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

First interim tax exempt (single-tier) dividend of 2% declared on 29 November 2011, on 205,978,615 ordinary shares (excluding 9,478,300 treasury shares) amounting to RM4,119,572 in respect of the financial year ended 31 December 2011 was paid on 22 December 2011.

9. Debt and equity securities

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

During the financial year ended 31 December 2011, the Company repurchased 5,477,300 of its issued ordinary shares from the open market at an average price of RM1.28 per share. The total consideration paid for the purchase including transaction costs was RM6,987,590. The repurchase transaction was financed by internally generated funds. The repurchased share are being held as treasury shares and treated in accordance with the requirement of Section 67A of the Companies Act 1965. None of the treasury shares has been resold or distributed as share dividends during the financial year ended 31 December 2011.

10. Changes in composition of the Group

On 15 December 2011, the Company acquired 2 ordinary shares of RM 1.00 each in Hikayat Anggun Sdn. Bhd., representing its entire equity interest for a total consideration of RM 2.

11. Capital commitments

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

	RM'000
Approved and contracted for	68,818
Approved but not contracted for	<u>19,212</u>
	<u><u>88,030</u></u>

12. 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 2011.

13. Subsequent event

On 18 January 2012, the Proposed Bonus Issue of the Company was completed by issuance of 102,989,295 Bonus Shares to the shareholders of the Company on the basis of one (1) Bonus Share for every two (2) existing CGB Shares.

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

1. Review of performance

Current Quarter vs. Previous Year Corresponding Quarter

For this quarter under review, the Group recorded a revenue of RM 71.41 million, which is a decrease of RM 5.55 million as compared to the preceding year corresponding quarter due to lower CPO and PK prices by 6% and 26% respectively.

The Group reported a profit before tax of RM 13.57 million for this quarter under review, which is an increase of 14% from the preceding year corresponding quarter due to a 26% increase in FFB production despite lower CPO and PK prices by 6% and 26% respectively.

Performance of the respective operating business segments for this quarter under review as compared to the previous corresponding quarter is analysed as follows:

- 1) Plantation – The increase in profit before tax by RM 1.14 million (10%) to RM 12.79 million was due to 26% increase in FFB production.
- 2) Oil Mill – The increase in profit before tax by RM 0.17 million (22%) to RM 0.91 million was due to lower operating cost as a result of 7% increase in CPO production.

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

For this financial year under review, the Group recorded a revenue of RM 290.27 million, which is an increase of RM 58.45 million as compared to the previous financial year due to higher CPO and PK prices by 18% and 27% respectively.

The Group reported a profit before tax of RM 62.20 million for this financial year under review, which is an increase of 76% from the previous financial year due to a 15% increase in FFB production and higher CPO and PK prices by 18% and 27% respectively.

Performance of the respective operating business segments for the year ended 31 December 2011 as compared to the previous year is analysed as follows:

- 1) Plantation – The increase in profit before tax by RM 23.70 million (68%) to RM 58.71 million was due to 15% increase in FFB production and 18% increase in FFB prices.
- 2) Oil Mill – The increase in profit before tax by RM 1.46 million (53%) to RM 4.24 million was due to lower operating cost as a result of 10% increase in CPO production.

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

Profit before tax in this quarter under review is lower at RM 13.57 million as compared to RM 18.36 million in the immediate preceding quarter due to a lower CPO and PK prices by 4% and 11% respectively and a 9% decrease in CPO sales.

3. Commentary on prospects

Barring any unforeseen circumstances, the Board is confident that the Group's prospects will remain bright in view that the recent increase in CPO and PK prices to around RM3,200 and RM1,850 per metric tonne respectively.

4. Profit forecast or profit guarantee

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

5. Profit for the period / year

	Individual quarter		Cumulative quarter	
	3 months ended	3 months ended	12 months ended	12 months ended
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
	RM'000	RM'000	RM'000	RM'000

Profit for the period /year is arrived at after crediting / (charging):

Depreciation and amortisation	1,876	562	6,330	5,923
Bad debts written off	18	85	18	159
Impairment loss on receivables	-	155	-	191
Goodwill written off	-	15	-	15
Plant and equipment written off	-	17	-	18
Inventory written off	-	-	28	-
Loss on disposal of plant and equipment	1	-	1	2
Loss / (Gain) on foreign exchange	197	190	(112)	(47)
Gain on disposal of plant and equipment	(37)	(43)	(377)	(45)

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

	Individual quarter		Cumulative quarter	
	3 months ended	3 months ended	12 months ended	12 months ended
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
	RM'000	RM'000	RM'000	RM'000
Current tax	3,489	4,101	15,384	10,352
Deferred tax	277	(757)	387	(943)
Total income tax expense	<u>3,766</u>	<u>3,344</u>	<u>15,771</u>	<u>9,409</u>

The Group's effective tax rate for the current quarter and the cumulative quarter ended 31 December 2011 was higher than the statutory rate of 25% principally due to certain expenses were disallowed for tax purposes.

7. Corporate proposals

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

8. Borrowings

	As at 31.12.2011 RM'000	As at 31.12.2010 RM'000
Secured		
Short term borrowings	3,111	2,946
Long term borrowings	38,819	21,496
	<u>41,930</u>	<u>24,442</u>

9. 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 31 December 2011.

10. Retained Earnings

	As at 31.12.2011 RM'000	As at 31.12.2010 RM'000 (Audited)
Realised	248,258	209,131
Unrealised	(12,121)	(11,483)
	<u>236,137</u>	<u>197,648</u>
Consolidation adjustments	(49,341)	(46,499)
Total group retained earnings as per consolidated financial statements	<u>186,796</u>	<u>151,149</u>

11. Dividend payable

First interim tax exempt (single-tier) dividend of 2% declared on 29 November 2011, on 205,978,615 ordinary shares (excluding 9,478,300 treasury shares) amounting to RM4,119,572 in respect of the financial year ended 31 December 2011 was paid on 22 December 2011 (2010: 1%).

The total dividend paid in 2011 is 4% (2010: 2%).

At the forthcoming Annual General Meeting, a final tax exempt (single-tier) dividend in respect of the financial year ended 31 December 2011, of 1.5% on 308,967,910 ordinary shares, amounting to a dividend payable of RM4,634,519 (1.5 sen per ordinary share) will be proposed for shareholders' approval.

12. Earnings per share

(a) Basic

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

	Individual quarter		Cumulative quarter	
	3 months ended	3 months ended	12 months ended	12 months ended
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
	RM'000	RM'000	RM'000	RM'000
Profit attributable to owners of the parent	9,233	8,285	43,916	24,883
Weighted average number of Ordinary shares in issue ('000)*	309,555	314,445	311,121	314,445
Basic earnings per share (sen) for: Profit for the period / year	2.98	2.63	14.12	7.91

*The weighted average number of shares takes into account the weighted average effect of changes in treasury shares transactions during the current quarter/ year and potential bonus issue of 102,989,295 ordinary shares after the balance sheet date and before the financial statements are authorised for issue.

(b) Diluted

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

13. Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 27 February 2012.