

CEPATWAWASAN GROUP BERHAD
(Company No. 536499-K)

Condensed consolidated statement of comprehensive income
For the quarter and year ended 31 December 2012

	Current quarter		Cumulative quarter	
	3 months ended 31.12.2012 (Unaudited) RM'000	3 months ended 31.12.2011 (Audited) RM'000	12 months ended 31.12.2012 (Unaudited) RM'000	12 months ended 31.12.2011 (Audited) RM'000
Revenue	46,920	71,329	219,034	290,186
Cost of sales	(38,208)	(54,049)	(177,746)	(217,894)
Gross profit	8,712	17,280	41,288	72,292
Other operating income	650	118	1,631	1,214
Administrative expenses	(2,533)	(2,502)	(7,573)	(6,654)
Other operating expenses	(1,540)	(1,451)	(5,716)	(4,926)
Operating profits	5,289	13,445	29,630	61,926
Finance income	201	285	945	841
Finance costs	(50)	(160)	(471)	(567)
Net finance costs	151	125	474	274
Profit before tax	5,440	13,570	30,104	62,200
Income tax expense	(1,940)	(3,766)	(7,509)	(15,771)
Profit for the period/year	3,500	9,804	22,595	46,429
Other comprehensive income				
Exchange differences on translation of foreign operations	1	-	62	-
Other comprehensive income for the period/year, net of tax	1	-	62	-
Total comprehensive income for the period/year, net of tax	3,501	9,804	22,657	46,429
Profit for the period/year attributable to:				
Owners of the parent	3,384	9,233	21,041	43,916
Non-controlling interests	116	571	1,554	2,513
	3,500	9,804	22,595	46,429
Total comprehensive income for the period/year, net of tax attributable to:				
Owners of the parent	3,385	9,233	21,103	43,916
Non-controlling interests	116	571	1,554	2,513
	3,501	9,804	22,657	46,429
Earnings per share (EPS) attributable to owners of the parent (sen per share)				
Basic EPS	1.10	2.98	6.81	14.12

These condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2011 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 31 December 2012

	31.12.2012 (Unaudited) RM'000	31.12.2011 (Audited) RM'000
ASSETS		
Property, plant and equipment	232,223	164,896
Biological assets	152,460	151,876
Investment properties	20,279	20,279
Intangible assets	92,088	92,088
Land use rights	2,078	2,106
Deferred tax assets	2,443	2,191
Other receivables	5,222	8,697
Total non-current assets	<u>506,793</u>	<u>442,133</u>
Inventories	20,467	18,606
Trade and other receivables	14,481	16,559
Tax recoverable	2,855	99
Short term investments	13,596	11,168
Deposits placed with licensed banks	15,233	26,008
Cash and bank balances	6,476	7,226
Total current assets	<u>73,108</u>	<u>79,666</u>
TOTAL ASSETS	<u>579,901</u>	<u>521,799</u>
EQUITY		
Equity attributable to owners of the parent		
Share capital	318,446	215,457
Treasury shares	(11,096)	(11,096)
Retained earnings	95,579	186,796
Foreign currency translation reserve	62	-
Total equity attributable to owners of the parent	<u>402,991</u>	<u>391,157</u>
Non-controlling interests	18,692	18,338
Total equity	<u>421,683</u>	<u>409,495</u>
LIABILITIES		
Lease rental payable	267	267
Borrowings	75,027	38,849
Deferred tax liabilities	46,139	45,880
Total non-current liabilities	<u>121,433</u>	<u>84,996</u>
Borrowings	13,462	3,081
Trade and other payables	22,832	22,199
Income tax payables	491	2,028
Total current liabilities	<u>36,785</u>	<u>27,308</u>
Total liabilities	<u>158,218</u>	<u>112,304</u>
TOTAL EQUITY AND LIABILITIES	<u>579,901</u>	<u>521,799</u>
Net assets per share attributable to owner of the parent (RM)	1.30	1.90

These condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to these interim financial statements.

CEPATWAWASAN GROUP BERHAD

(Company No. 536499-K)

Condensed consolidated statement of cash flows for the year ended 31 December 2012

	12 months ended 31.12.2012 (Unaudited) RM'000	12 months ended 31.12.2011 (Audited) RM'000
Operating activities		
Profit before tax	30,104	62,200
Adjustments for:		
Depreciation and amortisation	6,062	6,181
Finance costs	471	1,144
Bad debts written off	263	18
Inventories written off	-	28
Equipment written off	20	-
Reversal of impairment losses on plant	(400)	-
Interest income	(892)	(841)
Net gain on disposal of plant and equipment	-	(377)
Gain on disposal of biological assets	(223)	-
Operating profit before working capital changes	35,405	68,353
Increase in inventories	(1,693)	(9,389)
Decrease/(Increase) in receivables	5,272	(7,763)
Increase/(Decrease) in payables	632	(2,098)
Cash generated from operations	39,616	49,103
Interest paid	(471)	(1,144)
Income taxes paid	(12,053)	(15,774)
Tax refunded	259	368
Interest received	892	841
Net cash generated from operating activities	28,243	33,394
Investing activities		
Proceeds from disposal of property, plant and equipment	239	1,143
Purchase of property, plant and equipment	(71,694)	(32,617)
Additions to biological assets	(621)	(855)
Net cash used in investing activities	(72,076)	(32,329)
Financing activities		
Dividend paid	(9,269)	(8,269)
Dividend paid to non-controlling interests	(1,200)	(600)
Purchase of treasury shares	-	(6,987)
Drawdown of term loans	38,717	18,995
Drawdown of revolving credits	42,400	16,200
Repayment of term loans	(2,450)	(2,425)
Payment of revolving credits	(32,400)	(16,200)
Repayment of obligations under finance leases	(1,062)	(865)
Net cash generated from / (used in) financing activities	34,736	(151)
Net (decrease) / increase in cash and cash equivalents	(9,097)	914
Cash and cash equivalents at beginning of financial year	44,402	43,488
Cash and cash equivalents at end of financial year	35,305	44,402
Cash and cash equivalents at the end of the financial year comprise the following:		
	As at 31.12.2012 RM'000	As at 31.12.2011 RM'000
Short term investments	13,596	11,168
Deposits placed with licensed banks	15,233	26,008
Cash and bank balances	6,476	7,226
	35,305	44,402

These condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to these interim financial statements.

CEPATWAWASAN GROUP BERHAD
(Company No. 536499-K)

Condensed consolidated statement of changes in equity for the year ended 31 December 2012

	← Attributable to owners of the parent →						
	← Non-distributable →				Distributable		
	Equity, total RM'000	Equity attributable to owners of the parent, total RM'000	Share capital RM'000	Treasury shares RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	Non- controlling interests RM'000
At 1 January 2011	378,922	362,497	215,457	(4,109)	-	151,149	16,425
Total comprehensive income	46,429	43,916	-	-	-	43,916	2,513
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>409,495</u>	<u>391,157</u>	<u>215,457</u>	<u>(11,096)</u>	<u>-</u>	<u>186,796</u>	<u>18,338</u>
At 1 January 2012	409,495	391,157	215,457	(11,096)	-	186,796	18,338
Total comprehensive income	22,657	21,103	-	-	62	21,041	1,554
Bonus Issue	-	-	102,989	-	-	(102,989)	-
Dividend paid to non-controlling interests	(1,200)	-	-	-	-	-	(1,200)
Dividend	(9,269)	(9,269)	-	-	-	(9,269)	-
At 31 December 2012	<u>421,683</u>	<u>402,991</u>	<u>318,446</u>	<u>(11,096)</u>	<u>62</u>	<u>95,579</u>	<u>18,692</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 2011 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 year ended 31 December 2012, 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 2011.

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 2011. 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 2011.

2. Significant 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 2011, except for the adoption of the following new/revised FRSs and amendments to FRSs:

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

IC Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments

Amendments to IC Interpretation 14: Prepayments of a Minimum Funding Requirement

Effective for financial periods beginning on or after 1 January 2012:

Amendments to FRS 1: Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters

Amendments to FRS 7: Disclosures – Transfers of Financial Assets

Amendments to FRS 112: Deferred Tax: Recovery of Underlying Assets

FRS 124: Related Party Disclosures

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

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called ‘Transitioning Entities’).

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional one year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2013.

2. Changes in accounting policies (Contd.)

On 30 June 2012, MASB has decided to allow agriculture and real estate companies (Transitioning Entities) to defer the adoption of the MFRS Framework for another year. MFRS will therefore be mandated for all companies for annual periods beginning on or after 1 January 2014. This decision comes after an extensive deliberation by the Board and taking into account both local and international developments affecting these standards.

The Group falls within the scope definition of Transitioning Entities and have opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2014. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 December 2014.

3. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements of the Group for the year ended 31 December 2011 was not qualified.

4. Segment 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	
	2012	2011	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	4,632	8,166	41,596	62,251	46,228	70,417
Inter-segment revenue	10,583	15,906	-	-	10,583	15,906
Segment profit	2,644	12,790	1,899	912	4,543	13,702
Segment profit is reconciled to consolidated profit before tax as follows:					2012	2011
					RM'000	RM'000
Segment profit					4,543	13,702
Other non-reportable segments					1,101	612
Elimination of inter-segment profits					(113)	(167)
Unallocated corporate expenses					(91)	(577)
Consolidated profit before tax					<u>5,440</u>	<u>13,570</u>

4. Segment information (Contd.)

	Results for the 12 months ended 31 December					
	Plantation		Oil Mill		Total	
	2012	2011	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	19,661	34,655	196,063	252,507	215,724	287,162
Inter-segment revenue	51,035	61,402	-	-	51,035	61,402
Segment profit	25,275	58,706	3,216	4,240	28,491	62,946
Segment assets	286,535	280,544	56,308	64,550	342,843	345,094
Segment liabilities	7,307	7,606	9,817	15,600	17,124	23,206
Segment profit is reconciled to consolidated profit before tax as follows:				2012	2011	
				RM'000	RM'000	
Segment profit				28,491	62,946	
Other non-reportable segments				2,840	1,270	
Elimination of inter-segment profits				(614)	(554)	
Unallocated corporate expenses				(613)	(1,462)	
Consolidated profit before tax				<u>30,104</u>	<u>62,200</u>	

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

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

6. Changes in estimates

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

7. Comments about seasonal or cyclical factors

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

8. Dividend paid

The first interim tax exempt (single-tier) dividend of 1.5% declared on 27 November 2012, on 318,446,210 ordinary shares (excluding 9,478,500 treasury shares) amounting to RM 4,634,516 in respect of the financial year ended 31 December 2012 was paid on 21 December 2012.

9. Debt and equity securities

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

- a) During the financial year ended 31 December 2012, the Company issued 102,989,295 Bonus Shares to the shareholders of the Company on the basis of one (1) Bonus Shares for every two (2) existing CGB Shares under its Proposed Bonus Issue Exercise.
- b) During the financial year ended 31 December 2012, the Company repurchased 200 of its issued ordinary shares from the open market at an average price of RM1.06 per share. The total consideration paid for the purchase including transaction costs was RM 294. 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 2012.

10. Changes in composition of the Group

On 1 November 2012, Hikayat Anggun Sdn. Bhd., a subsidiary of the Company, acquired 100 shares of AUD\$1 each in Carbon Asia Pacific Pty Ltd., a company registered in Australia, representing its entire interest for a total consideration of RM322.

11. Capital commitments

The amount of capital commitments not provided for in the unaudited interim financial statements as at 31 December 2012 is as follows:

	RM'000
Approved and contracted for	29,888
Approved but not contracted for	8,734
	<u>38,622</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 2012.

13. Subsequent event

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

Current Quarter vs. Previous Year Corresponding Quarter

For this quarter under review, the Group recorded a revenue of RM 46.92 million, which is a decrease of RM 24.41 million as compared to the preceding year corresponding quarter due to lower CPO and PK prices by 26% and 35% respectively and lower CPO sales volume by 10%.

The Group reported a profit before tax of RM 5.44 million for this quarter under review, which is a decrease of 60% from the preceding year corresponding quarter due to lower CPO and PK prices by 26% and 35% 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 decrease in profit before tax by RM 10.15 million (79%) to RM 2.64 million was due to a 39% decrease in FFB price despite a 3% increase in FFB production.
- 2) Oil Mill – The increase in profit before tax by RM 0.99 million (108%) to RM 1.90 million was due to higher mill profit margin as a result of purchase cheaper FFB.

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

For this financial year under review, the Group recorded a revenue of RM 219.03 million, which is a decrease of RM 71.15 million as compared to the previous financial year due to lower CPO and PK sales volume by 9% and 11% respectively and lower CPO and PK prices by 12% and 29% respectively.

The Group reported a profit before tax of RM 30.14 million for this financial year under review, which is a decrease of 52% from the previous financial year due to lower CPO and PK prices by 12% and 29% respectively and a 7% decrease in FFB production.

Performance of the respective operating business segments for the year ended 31 December 2012 as compared to the previous year is analysed as follows:

- 1) Plantation – The decrease in profit before tax by RM 33.43 million (57%) to RM 25.28 million was due to a 23% decrease in FFB price and a 7% decrease in FFB production due to oil palm trees stress.
- 2) Oil Mill – The decrease in profit before tax by RM 1.02 million (24%) to RM 3.22 million was due to lower CPO and PK sales volume by 9% and 11% respectively and higher operating cost per metric tonne as a result of 11% decrease 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 5.44 million as compared to RM 8.11 million in the immediate preceding quarter due to a lower CPO and PK prices by 23% and 29% respectively despite a 25% increase in FFB production.

3. Commentary on prospects

Barring any unforeseen circumstances, the Board is confident that the Group's prospects are still bright in view that CPO and PK prices have recently stabilised to around RM 2,500 and RM 1,100 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

	Current quarter		Cumulative quarter	
	3 months ended	3 months ended	12 months ended	12 months ended
	31.12.2012	31.12.2011	30.12.2012	30.12.2011
	RM'000	RM'000	RM'000	RM'000
Profit for the period/year is arrived at after crediting / (charging):				
Depreciation and amortisation	1,556	1,876	6,062	6,330
Bad debts written off	263	18	263	18
Equipment written off	8	-	20	-
Inventory written off	-	-	-	28
Loss on disposal of equipment	-	1	-	1
Net gain on disposal of plant and equipment	-	(37)	-	(377)
Gain on disposal of biological assets	-	-	(223)	-
Reversal of impairment loss on plant	(400)	-	(400)	-
(Gain) / loss on foreign exchange	(65)	197	45	(112)

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	3 months ended	12 months ended	12 months ended
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
	RM'000	RM'000	RM'000	RM'000
Current tax	1,410	3,489	7,502	15,384
Deferred tax	530	277	7	387
Total income tax expense	<u>1,940</u>	<u>3,766</u>	<u>7,509</u>	<u>15,771</u>

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

7. Corporate proposals

On 30 November 2012, Cash Horse (M) Sdn. Bhd. and Mistral Engineering Sdn. Bhd., both subsidiaries of the Company had entered into a Deed of Agreement and Confirmation with Nordjysj Elhandel A/S (“NE”) and NE Climate A/S (“NEC”) for the purpose of accepting NE’s assignment to their subsidiary, NEC absolutely and unconditionally all existing and prospective rights, benefits, obligations, liabilities, duties and interests under the respective Emission Reductions Purchase Agreements (“ERPAs”) and Supplemental Agreements to the ERPAs with effect from 9 December 2011.

8. Borrowings

	As at 31.12.2012 (Unaudited) RM’000	As at 31.12.2011 (Audited) RM’000
Short term borrowings - Secured		
Obligation under finance leases	1,062	674
Revolving Credit	10,000	-
Term loans	2,400	2,407
	<u>13,462</u>	<u>3,081</u>
Long term borrowings - Secured		
Obligation under finance leases	1,128	1,021
Term loans	73,899	37,828
	<u>75,027</u>	<u>38,849</u>
Total borrowings	<u>88,489</u>	<u>41,930</u>

The Group’s total borrowings included an amount of RM 63.5 million (31.12.2011: RM 25.0 million) that was obtained under the Green Technology Financing Scheme for the renewable power plant.

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 2012.

10. Breakdown of realised and unrealised profits or losses

The breakdown of the retained profits of the Group as at 31 December 2012 and 31 December 2011 into realised and unrealised profits is presented in accordance with the directives issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and 20 December 2010, prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	As at 31.12.2012 (Unaudited) RM’000	As at 31.12.2011 (Audited) RM’000
Realised retained earnings	159,756	248,258
Unrealised retained earnings	(12,405)	(12,121)
	<u>147,351</u>	<u>236,137</u>
Less: consolidation adjustments	(51,772)	(49,341)
Total group retained earnings	<u>95,579</u>	<u>186,796</u>

11. Dividend payable

The first interim tax exempt (single-tier) dividend of 1.5% declared on 27 November 2012, on 318,446,210 ordinary shares (excluding 9,478,500 treasury shares) amounting to RM 4,634,516 in respect of the financial year ended 31 December 2012 was paid on 21 December 2012.

The total dividend paid in 2012 is 3.5% (2011: 4%).

At the forthcoming Annual General Meeting, a final tax exempt (single-tier) dividend in respect of the financial year ended 31 December 2012 of 1% on 308,967,710 ordinary shares amounting to a dividend payable of RM 3,089,677 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 attributable to owners of the Company by the weighted average number of ordinary shares (2011 – on the enlarged share capital after the bonus issue of 102,989,295 ordinary shares of RM 1 each) in issue during the financial period excluding treasury shares held by the Company.

	Current quarter		Cumulative quarter	
	3 months ended 31.12.2012	3 months ended 31.12.2011	12 months ended 31.12.2012	12 months ended 31.12.2011
Profit for the period attributable to owners of the parent used in computation of earnings per share (RM'000)	3,384	9,233	21,041	43,916
Weighted average number of ordinary shares in issue ('000)	308,968	309,555	308,968	311,121
Basic earnings per share (sen per share)	1.10	2.98	6.81	14.12

(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

These condensed consolidated interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 25 February 2013.