

CEPATWAWASAN GROUP BERHAD
(Company No. 536499-K)

Condensed consolidated statement of comprehensive income
For the three-month period ended 31 March 2013

	Current quarter		Cumulative quarter	
	3 months ended 31.03.2013 (Unaudited) RM'000	3 months ended 31.03.2012 (Unaudited) RM'000	3 months ended 31.03.2013 (Unaudited) RM'000	3 months ended 31.03.2012 (Unaudited) RM'000
Revenue	46,197	61,031	46,197	61,031
Cost of sales	(37,929)	(49,868)	(37,929)	(49,868)
Gross profit	8,268	11,163	8,268	11,163
Other operating income	365	208	365	208
Administrative expenses	(2,193)	(1,596)	(2,193)	(1,596)
Other operating expenses	(1,372)	(1,240)	(1,372)	(1,240)
Operating profits	5,068	8,535	5,068	8,535
Finance income	162	247	162	247
Finance costs	(82)	(158)	(82)	(158)
Net finance costs	80	89	80	89
Profit before tax	5,148	8,624	5,148	8,624
Income tax expense	(1,200)	(1,977)	(1,200)	(1,977)
Profit for the period	3,948	6,647	3,948	6,647
Other comprehensive income				
Exchange differences on translation of foreign operations	(15)	-	(15)	-
Other comprehensive income for the period, net of tax	(15)	-	(15)	-
Total comprehensive income for the period, net of tax	3,933	6,647	3,933	6,647
Profit for the period/year attributable to:				
Owners of the parent	3,821	6,400	3,821	6,400
Non-controlling interests	127	247	127	247
	3,948	6,647	3,948	6,647
Total comprehensive income for the period/year, net of tax attributable to:				
Owners of the parent	3,806	6,400	3,806	6,400
Non-controlling interests	127	247	127	247
	3,933	6,647	3,933	6,647
Earnings per share (EPS) attributable to owners of the parent (sen per share)				
Basic EPS	1.24	2.07	1.24	2.07

These condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2012 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 March 2013

	31.03.2013	31.12.2012
	(Unaudited)	(Audited)
	RM'000	RM'000
ASSETS		
Property, plant and equipment	240,759	232,223
Biological assets	152,535	152,460
Investment properties	20,279	20,279
Intangible assets	92,088	92,088
Land use rights	2,071	2,078
Deferred tax assets	2,672	2,443
Other receivables	5,411	5,222
Total non-current assets	515,815	506,793
Inventories	19,370	20,467
Trade and other receivables	16,522	14,481
Tax recoverable	3,410	2,855
Short term investments	269	12,942
Deposits placed with licensed banks	23,777	15,886
Cash and bank balances	6,853	6,476
Total current assets	70,201	73,107
TOTAL ASSETS	586,016	579,900
EQUITY		
Equity attributable to owners of the parent		
Share capital	318,446	318,446
Treasury shares	(11,096)	(11,096)
Retained earnings	99,400	95,579
Foreign currency translation reserve	47	62
Total equity attributable to owners of the parent	406,797	402,991
Non-controlling interests	18,819	18,692
Total equity	425,616	421,683
LIABILITIES		
Lease rental payable	267	267
Borrowings	75,732	75,026
Deferred tax liabilities	46,030	46,139
Total non-current liabilities	122,029	121,432
Borrowings	13,526	13,462
Trade and other payables	24,443	22,832
Income tax payables	402	491
Total current liabilities	38,371	36,785
Total liabilities	160,400	158,217
TOTAL EQUITY AND LIABILITIES	586,016	579,900
Net assets per share attributable to owner of the parent (RM)	1.31	1.30

These condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2012 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 period ended 31 March 2013

	3 months ended 31.03.2013 (Unaudited) RM'000	3 months ended 31.03.2012 (Unaudited) RM'000
Operating activities		
Profit before tax	5,148	8,624
Adjustments for:		
Bad debts written off	250	-
Depreciation and amortisation	1,373	1,469
Equipment written off	-	1
Finance costs	82	158
Interest income	(165)	(247)
Operating profit before working capital changes	6,688	10,005
Decrease in inventories	1,129	6,213
(Increase)/Decrease in receivables	(2,477)	3,874
Increase/(Decrease) in payables	1,607	(2,407)
Cash generated from operations	6,947	17,685
Interest paid	(82)	(158)
Income taxes paid	(2,288)	(4,685)
Tax refunded	106	-
Interest received	165	247
Net cash generated from operating activities	4,848	13,089
Investing activities		
Purchase of property, plant and equipment	(9,870)	(10,691)
Additions to biological assets	(75)	(238)
Net cash used in investing activities	(9,945)	(10,929)
Financing activities		
Drawdown of term loans	1,620	7,869
Drawdown of revolving credits	-	16,200
Repayment of term loans	(617)	(610)
Repayment of obligations under finance leases	(296)	(438)
Effect on exchange rate changes on cash and cash equivalent	(15)	-
Net cash generated from financing activities	692	23,021
Net (decrease) / increase in cash and cash equivalents	(4,405)	25,181
Cash and cash equivalents at beginning of financial period	35,304	44,402
Cash and cash equivalents at end of financial period	30,899	69,583
Cash and cash equivalents at the end of the financial period comprise the following:		
	As at 31.03.2013 RM'000	As at 31.03.2012 RM'000
Short term investments	269	12,280
Deposits placed with licensed banks	23,777	47,588
Cash and bank balances	6,853	9,715
	30,899	69,583

These condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2012 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 period ended 31 March 2013

	← 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 2012	409,495	391,157	215,457	(11,096)	-	186,796	18,338
Total comprehensive income	6,647	6,400	-	-	-	6,400	247
Bonus Issue	-	-	102,989	-	-	(102,989)	-
At 31 March 2012	<u>416,142</u>	<u>397,557</u>	<u>318,446</u>	<u>(11,096)</u>	<u>-</u>	<u>90,207</u>	<u>18,585</u>
At 1 January 2013	421,683	402,991	318,446	(11,096)	62	95,579	18,692
Total comprehensive income	3,933	3,806	-	-	(15)	3,821	127
At 31 March 2013	<u>425,616</u>	<u>406,797</u>	<u>318,446</u>	<u>(11,096)</u>	<u>47</u>	<u>99,400</u>	<u>18,819</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 2012 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 31 March 2013, 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 2012.

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 2012. 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 2012.

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 2012, except for the adoption of the following new/revised FRSs and amendments to FRSs:

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

Amendments to FRS 101: Presentation of Items of Other Comprehensive Income

Effective for financial periods beginning on or after 1 January 2013:

FRS 10 : Consolidated Financial Statements

FRS 11 : Joint Arrangements

FRS 12 : Disclosure of Interests in Other Entities

FRS 13 : Fair Value Measurement

FRS 119 : Employee Benefits

FRS 127 : Separate Financial Statements

FRS 128 : Investment in Associates and Joint Ventures

IC Interpretation 20 : Stripping Costs in the Production Phase of a Surface Mine

Amendments to FRS 1: Government Loans

Amendments to FRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities

Amendments to FRS 10, FRS 11 and FRS 12: Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities - Transition Guidance

Improvements to FRSs (2012)

Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities

Effective for financial periods beginning on or after 1 January 2014:

Amendments to FRS 10, FRS 12 and FRS 127: Investment Entities

Effective for financial periods beginning on or after 1 January 2015:

FRS 9: Financial Instruments

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

2. Changes in accounting policies (Contd.)

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 2014.

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 2012 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

4. Segment information (Contd.)

Information about reportable segments

	Results for the 3 months ended 31 March					
	Plantation		Oil Mill		Total	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
External revenue	3,498	4,819	42,148	55,559	45,646	60,378
Inter-segment revenue	10,354	13,763	-	-	10,354	13,763
Segment profit	3,268	7,740	1,758	913	5,026	8,653
Segment assets	343,006	336,343	87,195	113,147	430,201	449,490
Segment liabilities	5,974	8,055	32,801	13,033	38,775	21,088

Segment profit is reconciled to consolidated profit before tax as follows:	2013 RM'000	2012 RM'000
Segment profit	5,026	8,653
Other non-reportable segments	304	438
Elimination of inter-segment profits	(79)	(163)
Unallocated corporate expenses	(103)	(304)
Consolidated profit before tax	5,148	8,624

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 was no dividend paid during the financial period-to-date.

9. Debt and equity securities

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

10. Changes in composition of the Group

There were no changes in the composition of the Group during the current quarter ended 31 March 2013.

11. Capital commitments

The amount of capital commitments not provided for in the unaudited interim financial statements as at 31 March 2013 is as follows:

	RM'000
Approved and contracted for	23,556
Approved but not contracted for	<u>10,435</u>
	<u>33,991</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 46.20 million, which is a decrease of RM 14.83 million as compared to the preceding year corresponding quarter due to lower CPO and PK prices by 31% and 41% respectively despite higher CPO sales volume by 12%.

The Group reported a profit before tax of RM 5.15 million for this quarter under review, which is a decrease of 40% from the preceding year corresponding quarter due to lower CPO and PK prices by 31% and 41% respectively despite a 15% increase in FFB production.

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 4.47 million (58%) to RM 3.27 million was due to a 34% decrease in FFB price despite a 15% increase in FFB production.
- 2) Oil Mill – The increase in profit before tax by RM 0.85 million (93%) to RM 1.76 million was due to higher CPO and PK sales volume by 12% and 14% respectively and lower operating cost as a result of 20% 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 5.15 million as compared to RM 5.44 million in the immediate preceding quarter due to a 18% decrease in FFB production because of seasonal factor.

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 2,300 and RM 1,200 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

	Current quarter		Cumulative quarter	
	3 months ended 31.03.2013	3 months ended 31.03.2012	3 months ended 31.03.2013	3 months ended 31.03.2012
	RM'000	RM'000	RM'000	RM'000
Profit for the period is arrived at after crediting:				
Depreciation and amortisation	1,373	1,469	1,373	1,469
Bad debts written off	250	-	250	-
Equipment written off	-	1	-	1
Loss on foreign exchange	75	8	75	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 31.03.2013	3 months ended 31.03.2012	3 months ended 31.03.2013	3 months ended 31.03.2012
	RM'000	RM'000	RM'000	RM'000
Current tax	1,538	2,280	1,538	2,280
Deferred tax	(338)	(303)	(338)	(303)
Total income tax expense	1,200	1,977	1,200	1,977

The Group's effective tax rate for the current quarter and the cumulative quarter ended 31 March 2013 was lower than the statutory tax rate of 25% principally due to certain provisions in previous year were allowed to deduct in this quarter.

7. Corporate proposals

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

8. Borrowings

	As at 31.03.2013 (Unaudited) RM'000	As at 31.12.2012 (Audited) RM'000
Short term borrowings - Secured		
Obligation under finance leases	1,174	1,062
Revolving credit	10,000	10,000
Term loans	2,352	2,400
	<u>13,526</u>	<u>13,462</u>
Long term borrowings - Secured		
Obligation under finance leases	911	1,127
Term loans	74,821	73,899
	<u>75,732</u>	<u>75,026</u>
Total borrowings	<u>89,258</u>	<u>88,488</u>

8. Borrowings (Contd.)

The Group's total borrowings included an amount of RM 65 million (31.12.2012: RM 63.5 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 March 2013.

10. Breakdown of realised and unrealised profits or losses

The breakdown of the retained profits of the Group as at 31 March 2013 and 31 December 2012 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 31.03.2013 (Unaudited) RM'000	As at 31.12.2012 (Audited) RM'000
Realised retained earnings	163,641	159,756
Unrealised retained earnings	(12,194)	(12,405)
	<hr/>	<hr/>
	151,447	147,351
Less: consolidation adjustments	(52,047)	(51,772)
Total group retained earnings	<hr/> <u>99,400</u>	<hr/> <u>95,579</u>

11. Dividend payable

No interim dividend has been declared for the financial period ended 31 March 2013 (31 March 2012 : Nil).

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 in issue during the financial period excluding treasury shares held by the Company.

	Current quarter		Cumulative quarter	
	3 months ended 31.03.2013	3 months ended 31.03.2012	3 months ended 31.03.2013	3 months ended 31.03.2012
Profit for the period attributable to owners of the parent used in computation of earnings per share (RM'000)	<u>3,821</u>	<u>6,400</u>	<u>3,821</u>	<u>6,400</u>
Weighted average number of ordinary shares in issue ('000)	<u>308,968</u>	<u>308,968</u>	<u>308,968</u>	<u>308,968</u>
Basic earnings per share (sen per share)	<u>1.24</u>	<u>2.07</u>	<u>1.24</u>	<u>2.07</u>

(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 24 April 2013.