

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

**Condensed consolidated statement of comprehensive income**  
**For the three-month period ended 31 March 2014**

	Current quarter		Cumulative quarter	
	3 months ended 31.03.2014 (Unaudited) RM'000	3 months ended 31.03.2013 (Unaudited) RM'000	3 months ended 31.03.2014 (Unaudited) RM'000	3 months ended 31.03.2013 (Unaudited) RM'000
Revenue	48,212	46,197	48,212	46,197
Cost of sales	(38,245)	(37,929)	(38,245)	(37,929)
<b>Gross profit</b>	<b>9,967</b>	<b>8,268</b>	<b>9,967</b>	<b>8,268</b>
Other operating income	203	365	203	365
Administrative expenses	(1,781)	(2,193)	(1,781)	(2,193)
Other operating expenses	(1,347)	(1,372)	(1,347)	(1,372)
<b>Operating profits</b>	<b>7,042</b>	<b>5,068</b>	<b>7,042</b>	<b>5,068</b>
Finance income	154	162	154	162
Finance costs	(229)	(82)	(229)	(82)
<b>Net finance costs</b>	<b>(75)</b>	<b>80</b>	<b>(75)</b>	<b>80</b>
<b>Profit before tax</b>	<b>6,967</b>	<b>5,148</b>	<b>6,967</b>	<b>5,148</b>
Income tax expense	(1,629)	(1,200)	(1,629)	(1,200)
<b>Profit for the period</b>	<b>5,338</b>	<b>3,948</b>	<b>5,338</b>	<b>3,948</b>
<b>Other comprehensive income</b>				
Exchange differences on translation of foreign operations	(1)	(15)	(1)	(15)
<b>Other comprehensive income for the period, net of tax</b>	<b>(1)</b>	<b>(15)</b>	<b>(1)</b>	<b>(15)</b>
<b>Total comprehensive income for the period, net of tax</b>	<b>5,337</b>	<b>3,933</b>	<b>5,337</b>	<b>3,933</b>
<b>Profit for the period attributable to:</b>				
Owners of the parent	5,482	3,821	5,482	3,821
Non-controlling interests	(144)	127	(144)	127
	<b>5,338</b>	<b>3,948</b>	<b>5,338</b>	<b>3,948</b>
<b>Total comprehensive income for the period, net of tax attributable to:</b>				
Owners of the parent	5,481	3,806	5,481	3,806
Non-controlling interests	(144)	127	(144)	127
	<b>5,337</b>	<b>3,933</b>	<b>5,337</b>	<b>3,933</b>
<b>Earnings per share (EPS) attributable to owners of the parent (sen per share)</b>				
Basic EPS	1.77	1.24	1.77	1.24

These condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2013 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 2014**

	<b>31.03.2014</b> <b>(Unaudited)</b> <b>RM'000</b>	<b>31.12.2013</b> <b>(Audited)</b> <b>RM'000</b>
<b>ASSETS</b>		
Property, plant and equipment	268,127	265,637
Biological assets	154,829	154,171
Investment properties	41,600	41,600
Intangible assets	92,088	92,088
Land use rights	2,043	2,050
Deferred tax assets	3,334	3,186
Other receivables	6,109	6,036
<b>Total non-current assets</b>	<b>568,130</b>	<b>564,768</b>
Inventories	21,443	16,816
Trade and other receivables	16,864	17,323
Tax recoverable	1,817	1,501
Short term investments	10,711	10,443
Deposits placed with licensed banks	7,583	14,277
Cash and bank balances	11,833	10,054
<b>Total current assets</b>	<b>70,251</b>	<b>70,414</b>
<b>TOTAL ASSETS</b>	<b>638,381</b>	<b>635,182</b>
<b>EQUITY</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	318,446	318,446
Treasury shares	(11,096)	(11,096)
Retained earnings	136,909	131,427
Foreign currency translation reserve	(1)	-
<b>Total equity attributable to owners of the parent</b>	<b>444,258</b>	<b>438,777</b>
Non-controlling interests	17,917	18,061
<b>Total equity</b>	<b>462,175</b>	<b>456,838</b>
<b>LIABILITIES</b>		
Lease rental payable	267	267
Borrowings	67,801	69,788
Deferred tax liabilities	46,148	46,179
<b>Total non-current liabilities</b>	<b>114,216</b>	<b>116,234</b>
Borrowings	34,346	32,000
Trade and other payables	26,620	29,588
Income tax payables	1,024	522
<b>Total current liabilities</b>	<b>61,990</b>	<b>62,110</b>
<b>Total liabilities</b>	<b>176,206</b>	<b>178,344</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>638,381</b>	<b>635,182</b>
<b>Net assets per share attributable to owner of the parent (RM)</b>	<b>1.44</b>	<b>1.42</b>

These condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2013 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 2014**

	<b>3 months ended 31.03.2014 (Unaudited) RM'000</b>	<b>3 months ended 31.03.2013 (Unaudited) RM'000</b>
<b>Operating activities</b>		
Profit before tax	6,967	5,148
Adjustments for:		
Bad debts written off	-	250
Depreciation and amortisation	2,075	1,373
Finance costs	229	82
Interest income	(154)	(165)
Plant and equipment scrapped	16	-
Net gain on foreign exchange - unrealised	(2)	-
<b>Operating profit before working capital changes</b>	<b>9,131</b>	<b>6,688</b>
(Increase)/Decrease in inventories	(4,607)	1,129
Decrease/(Increase) in receivables	386	(2,477)
(Decrease)/Increase in payables	(2,968)	1,607
<b>Cash generated from operations</b>	<b>1,942</b>	<b>6,947</b>
Interest paid	(229)	(82)
Income taxes paid	(1,622)	(2,288)
Tax refunded	-	106
Interest received	154	165
<b>Net cash flows generated from operating activities</b>	<b>245</b>	<b>4,848</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(4,463)	(9,870)
Additions to biological assets	(658)	(75)
<b>Net cash flows used in investing activities</b>	<b>(5,121)</b>	<b>(9,945)</b>
<b>Financing activities</b>		
Drawdown of term loans	-	1,620
Drawdown of revolving credits	1,500	-
Repayment of term loans	(938)	(617)
Repayment of obligations under finance leases	(336)	(296)
<b>Net cash flows generated from financing activities</b>	<b>226</b>	<b>707</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(4,650)</b>	<b>(4,390)</b>
<b>Net foreign exchange difference</b>	<b>3</b>	<b>(15)</b>
<b>Cash and cash equivalents at beginning of financial period</b>	<b>34,774</b>	<b>35,304</b>
<b>Cash and cash equivalents at end of financial period</b>	<b>30,127</b>	<b>30,899</b>
<b>Cash and cash equivalents at the end of the financial period comprise the following:</b>		
	<b>As at 31.03.2014 (Unaudited) RM'000</b>	<b>As at 31.03.2013 (Unaudited) RM'000</b>
Short term investments	10,711	12,926
Deposits placed with licensed banks	7,583	11,120
Cash and bank balances	11,833	6,853
	<b>30,127</b>	<b>30,899</b>

These condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2013 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 2014**

	← Attributable to owners of the parent →						
	← Non-distributable →				→ Distributable →		
	Equity attributable to owners of the parent, total	Share capital	Treasury shares	Foreign currency translation reserve	Retained earnings	Non- controlling interests	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
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>
At 1 January 2014	456,838	438,777	318,446	(11,096)	-	131,427	18,061
Total comprehensive income	5,337	5,481	-	-	(1)	5,482	(144)
At 31 March 2014	<u>462,175</u>	<u>444,258</u>	<u>318,446</u>	<u>(11,096)</u>	<u>(1)</u>	<u>136,909</u>	<u>17,917</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 2013 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 2014, 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 2013.

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 2013. 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 2013.

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 2013, except for the adoption of the following new/revised FRSs and amendments to FRSs:

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

- Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities
- Amendments to FRS 10, FRS 12 and FRS 127: Investment Entities
- Amendments to FRS 136: Recoverable Amount Disclosures for Non-Financial Assets
- Amendments to FRS 139: Novation of Derivatives and Continuation of Hedge Accounting
- IC Interpretation 21 Levies

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

- Amendments to FRS 119: Defined Benefit Plans: Employee Contributions
- Annual Improvements to FRSs 2010 – 2012 Cycle
- Annual Improvements to FRSs 2011 – 2013 Cycle

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.

**Malaysian Financial Reporting Standards (MFRS Framework)**

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”).

## 2. Changes in accounting policies (Contd.)

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 2015.

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 2015. 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 earnings.

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 2015.

## 3. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements of the Group for the year ended 31 December 2013 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

### Information about reportable segments

	Results for the 3 months ended 31 March							
	Plantation		Oil Mill		Power Plant		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>External revenue</b>	3,138	3,498	43,957	42,148	-	-	47,095	45,646
<b>Inter-segment revenue</b>	14,666	10,354	-	-	240	-	14,906	10,354
<b>Segment profit/(loss)</b>	8,275	3,268	(448)	1,758	(1,046)	(76)	6,781	4,950
<b>Segment assets</b>	343,431	343,006	89,984	87,195	122,016	99,097	555,431	529,298
<b>Segment liabilities</b>	6,637	5,974	37,409	32,801	82,777	72,964	126,823	111,739

4. Segment information (Contd.)

<b>Segment profit is reconciled to consolidated profit before tax as follows:</b>	<b>3 months ended 31.03.2014 (Unaudited) RM'000</b>	<b>3 months ended 31.03.2013 (Unaudited) RM'000</b>
Segment profit	6,781	4,950
Other non-reportable segments	518	304
Elimination of inter-segment profits	(268)	(79)
Unallocated corporate expenses	(64)	(27)
Consolidated profit before tax	<u>6,967</u>	<u>5,148</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 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

- a) On 10 February 2014, the Company acquired 2 ordinary shares of RM 1.00 each in Aspenglade Sdn. Bhd., representing its entire equity interest for a total consideration of RM 2, resulting in the latter becoming a wholly-owned subsidiary of the Group.
- b) On 10 February 2014, the Company acquired 2 ordinary shares of RM 1.00 each in Ekuiti Etika Sdn. Bhd., representing its entire equity interest for a total consideration of RM 2, resulting in the latter becoming a wholly-owned subsidiary of the Group.

11. Capital commitments

The amount of capital commitments not provided for in the unaudited interim financial statements as at 31 March 2014 is as follows:

	<b>RM'000</b>
Approved and contracted for	7,843
Approved but not contracted for	<u>7,696</u>
	<u>15,539</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 2013.

13. 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

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

For this quarter under review, the Group recorded a revenue of RM 48.21 million, which is an increase of RM 2.02 million as compared to the preceding year corresponding quarter due to higher CPO and PK prices by 20% and 76% respectively despite lower CPO sales volume by 21%.

The Group reported a profit before tax of RM 6.97 million for this quarter under review, which is an increase of 35% from the preceding year corresponding quarter due to higher CPO and PK prices by 20% and 76% respectively despite lower CPO sales volume by 21% and a 2% decrease 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:

- i) Plantation – The increase in profit before tax by RM 5.01 million (153%) to RM 8.27 million was due to a 31% increase in FFB price despite a 2% decrease in FFB production.
- ii) Oil Mill – The increase in loss before tax by RM 2.21 million (125%) to RM 0.45 million was due to lower CPO sales volume by 21% and lower margin as a result of stiff competition on sourcing the fresh fruit bunches.
- iii) Power Plant – The increase in loss before tax by RM 0.97 million (1,276%) to RM 1.05 million was due to higher operating cost incurred as a result of the commencement of the operation.

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 6.97 million as compared to RM 12.49 million in the immediate preceding quarter due to lower CPO sales volume by 34%, lower margin as a result of stiff competition on sourcing the fresh fruit bunches and a gain of RM 4.60 million from fair value adjustment of investment properties in the immediate preceding quarter despite higher CPO and PK prices by 5% and 28% 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 have recently stabilised to around RM 2,650 and RM 2,000 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 31.03.2014 (Unaudited) RM'000	3 months ended 31.03.2013 (Unaudited) RM'000	3 months ended 31.03.2014 (Unaudited) RM'000	3 months ended 31.03.2013 (Unaudited) RM'000
Profit for the period is arrived at after crediting/ (charging):				
Bad debts written off	-	250	-	250
Depreciation and amortisation	2,075	1,373	2,075	1,373
Plant and equipment scrapped	16	-	16	-
Net loss on foreign exchange - realised	13	75	13	75
Net gain on foreign exchange - unrealised	(2)	-	(2)	-

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 31.03.2014 (Unaudited) RM'000	3 months ended 31.03.2013 (Unaudited) RM'000	3 months ended 31.03.2014 (Unaudited) RM'000	3 months ended 31.03.2013 (Unaudited) RM'000
Income tax				
- Current provision	1,808	1,538	1,808	1,538
Deferred tax				
- Relating to origination and reversal of temporary differences	(179)	(338)	(179)	(338)
<b>Total income tax expense</b>	<b>1,629</b>	<b>1,200</b>	<b>1,629</b>	<b>1,200</b>

The Group's effective tax rate for the current quarter and the cumulative quarter ended 31 March 2014 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

	<b>As at 31.03.2014 (Unaudited) RM'000</b>	<b>As at 31.12.2013 (Audited) RM'000</b>
<b>Short term borrowings - Secured</b>		
Obligation under finance leases	1,096	1,194
Revolving credit	26,000	24,500
Term loans	7,250	6,306
	<u>34,346</u>	<u>32,000</u>
<b>Long term borrowings - Secured</b>		
Obligation under finance leases	780	885
Term loans	67,021	68,903
	<u>67,801</u>	<u>69,788</u>
Total borrowings	<u>102,147</u>	<u>101,788</u>

The Group's total borrowings included an amount of RM 64.5 million (31.12.2013: RM 64.9 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 2014.

10. Breakdown of realised and unrealised profits or losses

The breakdown of the retained profits of the Group as at 31 March 2014 and 31 December 2013 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.

	<b>As at 31.03.2014 (Unaudited) RM'000</b>	<b>As at 31.12.2013 (Audited) RM'000</b>
Realised retained earnings	178,997	173,254
Unrealised retained earnings	8,336	8,255
	<u>187,333</u>	<u>181,509</u>
Less: consolidation adjustments	(50,424)	(50,082)
Total group retained earnings	<u>136,909</u>	<u>131,427</u>

11. Dividend payable

No interim dividend has been declared during the current quarter ended 31 March 2014 (31 March 2013 : 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.

	<b>Current quarter</b>		<b>Cumulative quarter</b>	
	<b>3 months ended</b>	<b>3 months ended</b>	<b>3 months ended</b>	<b>3 months ended</b>
	<b>31.03.2014</b>	<b>31.03.2013</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Profit for the period attributable to owners of the parent used in computation of earnings per share (RM'000)	5,482	3,821	5,482	3,821
Weighted average number of ordinary shares in issue ('000)	308,968	308,968	308,968	308,968
Basic earnings per share (sen per share)	1.77	1.24	1.77	1.24

### (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 18 April 2014.