

Condensed consolidated statement of comprehensive income
For the Three-months period ended 31 March 2024

	Current quarter		Cumulative quarter	
	3 months ended 31.03.24 (Unaudited) RM'000	3 months ended 31.03.23 (Unaudited) RM'000	3 months ended 31.03.24 (Unaudited) RM'000	3 months ended 31.03.23 (Unaudited) RM'000
Revenue	64,467	69,535	64,467	69,535
Cost of sales	(59,713)	(62,814)	(59,713)	(62,814)
Gross profit	4,754	6,721	4,754	6,721
Other operating income	1,079	378	1,079	378
Administrative expenses	(2,237)	(2,061)	(2,237)	(2,061)
Other operating expenses	-	-	-	-
Operating profit	3,596	5,038	3,596	5,038
Interest income	463	427	463	427
Finance costs	(560)	(438)	(560)	(438)
Net finance costs	(97)	(11)	(97)	(11)
Profit before tax	3,499	5,027	3,499	5,027
Income tax expense	(1,438)	(2,067)	(1,438)	(2,067)
Profit net of tax	2,061	2,960	2,061	2,960
Other comprehensive income				
Item that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations	(16)	(21)	(16)	(21)
Other comprehensive income for the period, net of tax	(16)	(21)	(16)	(21)
Total comprehensive income for the period	2,045	2,939	2,045	2,939
Profit attributable to:				
Owners of the parent	1,913	2,790	1,913	2,790
Non-controlling interests	148	170	148	170
	2,061	2,960	2,061	2,960
Total comprehensive income attributable to:				
Owners of the parent	1,902	2,775	1,902	2,775
Non-controlling interests	143	164	143	164
	2,045	2,939	2,045	2,939
Earnings per share (EPS) attributable to owners of the parent (sen per share)				
Basic	0.62	0.90	0.62	0.90

These condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to these interim financial statements.

CEPATWAWASAN GROUP BERHAD
Registration No. 200101000743 (536499-K)

Condensed consolidated statement of financial position as at 31 March 2024

	31.03.24	31.12.2023
	(Unaudited)	(Audited)
	RM'000	RM'000
ASSETS		
Property, plant and equipment	304,918	306,962
Investment properties	43,340	43,340
Intangible assets	17,358	17,358
Deferred tax assets	4,338	4,321
Total non-current assets	369,954	371,981
Biological assets	2,342	2,342
Inventories	20,863	18,634
Trade and other receivables	20,787	18,730
Tax recoverable	889	803
Short term investments	17,862	17,715
Deposits placed with licensed banks	41,129	32,124
Cash and bank balances	25,656	37,344
Total current assets	129,528	127,692
TOTAL ASSETS	499,482	499,673
EQUITY		
Equity attributable to owners of the parent		
Share capital	318,446	318,446
Treasury shares	(11,097)	(11,097)
Retained earnings	180,075	178,162
	(80,919)	(80,919)
Foreign currency translation reserve	(269)	(258)
Total equity attributable to owners of the parent	406,236	404,334
Non-controlling interests	5,831	5,688
Total equity	412,067	410,022
LIABILITIES		
Lease liabilities	8,269	9,528
Loans and Borrowings	15,434	17,309
Deferred tax liabilities	25,618	25,709
Total non-current liabilities	49,321	52,546
Trade and other payables	22,075	24,550
Loans and Borrowings	10,300	7,800
Lease liabilities	3,789	2,086
Taxation	1,930	2,669
Total current liabilities	38,094	37,105
Total liabilities	87,415	89,651
TOTAL EQUITY AND LIABILITIES	499,482	499,673
Net assets per share attributable to owner of the parent (RM)	1.31	1.31

These condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to these interim financial statements.

Condensed consolidated statement of cash flows for the period ended 31 March 2024

	3 months ended 31.03.2024 (Unaudited) RM'000	3 months ended 31.03.2023 (Unaudited) RM'000
Cash flows from operating activities		
Profit before tax	3,499	5,027
Adjustments for:		
Depreciation and amortisation	5,594	5,430
Finance cost	560	438
Interest income	(463)	(427)
Property, plant and equipment written off	-	48
Reversal of allowance for expected credit loss	(36)	(66)
Operating profit before working capital changes	<u>9,154</u>	<u>10,450</u>
Change in inventories	(2,229)	758
Change in receivables	(2,021)	(2,024)
Change in payables	(2,466)	(4,847)
Cash from operations	<u>2,438</u>	<u>4,337</u>
Income taxes paid	(2,371)	(3,714)
Interest received	463	427
Interest paid	(560)	(438)
Net cash from operating activities	<u>(30)</u>	<u>612</u>
Cash flows investing activities		
Acquisition of property, plant and equipment	(2,430)	(1,793)
Change in Short term investment	(147)	(457)
Net cash used in investing activities	<u>(2,577)</u>	<u>(2,250)</u>
Cash flows from financing activities		
Drawdown of loans and borrowings	2,500	15,000
Repayment of loans and borrowings	(1,875)	(1,875)
Repayment of leases liabilities	(674)	(238)
Net cash flows used in financing activities	<u>(49)</u>	<u>12,887</u>
Net increase in cash and cash equivalents	(2,656)	11,249
Net foreign exchange difference	(27)	(32)
Cash and cash equivalents at beginning of financial period	66,181	56,676
Cash and cash equivalents at end of financial period	<u>63,498</u>	<u>67,893</u>
Cash and cash equivalents at the end of the financial year comprise the following:		
Deposits placed with licensed banks	41,129	53,110
Cash and bank balances	25,656	18,880
	<u>66,785</u>	<u>71,990</u>
Deposits pledged with licensed banks	(3,287)	(4,097)
Cash and cash equivalents at end of financial period	<u>63,498</u>	<u>67,893</u>

These condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to these interim financial statements.

Condensed consolidated statement of changes in equity for the period ended 31 March 2024

	← Attributable to owners of the parent →					Retained earnings	Equity attributable to owners of the parent, total	Non-controlling interests	Equity, total
	Share capital	Treasury shares	Other reserve	Foreign currency translation reserve	Distributable				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 January 2023	318,446	(11,097)	(80,919)	(293)	170,127	396,264	7,630	403,894	
Total comprehensive income	-	-	-	(15)	2,790	2,775	164	2,939	
At 31 March 2023	318,446	(11,097)	(80,919)	(308)	172,917	399,039	7,794	406,833	
At 1 January 2024	318,446	(11,097)	(80,919)	(258)	178,162	404,334	5,688	410,022	
Total comprehensive income	-	-	-	(11)	1,913	1,902	143	2,045	
At 31 March 2024	318,446	(11,097)	(80,919)	(269)	180,075	406,236	5,831	412,067	

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 2023 and the accompanying explanatory notes attached to these interim financial statements.

CEPATWAWASAN GROUP BERHAD
Registration No. 200101000743 (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 2024 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 2023.

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 2023.

2. Significant accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2023, except for the adoption of new MFRS, amendments to published standards and IC Interpretations: -

- a) the Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):

Amendments to MFRSs	Effective Date
• Amendments to MFRS 16 Lease Liability in a Sale and Leaseback	1 January 2024
• Amendments to MFRS 101 Classification of Liabilities as Current or Non-current	1 January 2024
• Amendments to MFRS 101 Non-current Liabilities with Covenants	1 January 2024
• Amendments to MFRS 107 and MFRS 7 Supplier Finance Arrangements	1 January 2024

The initial application of the above MFRSs did not have any significant impacts on the financial statements.

- b) The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by MASB but are not yet effective for the current financial period:

Amendments to MFRSs	Effective Date
• Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
• Amendments to MFRS 121: Lack of Exchangeability	1 January 2025

3. Auditors’ report on preceding annual financial statements

The auditors’ report on the financial statements of the Group for the year ended 31 December 2023 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 and sales of biomass by-products

Information about reportable segments

	Results for the 3 months ended 31 March							
	Plantation		Oil Mill		Power Plant		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	3,799	5,495	52,358	57,409	8,297	6,628	64,454	69,532
Inter-segment revenue	11,731	12,489	-	-	-	-	11,731	12,489
Segment profit	2,878	5,816	403	1,165	448	(1,663)	3,729	5,319
Segment Assets	221,346	231,957	41,490	37,460	132,980	124,315	395,816	393,731
Segment Liabilities	30,270	30,321	19,865	15,949	11,491	7,119	61,626	53,389
Segment profit is reconciled to consolidated loss before tax as follows:					3 months ended 31.03.2024 (Unaudited) RM'000	3 months ended 31.03.2023 (Unaudited) RM'000		
Segment profit					3,729	5,319		
Other non-reportable segments					289	(12)		
Elimination of inter-segment profits					33	157		
Unallocated corporate expenses					(552)	(437)		
Consolidated profit before tax					<u>3,499</u>	<u>5,027</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

The Group considers the seasonal or cyclical factors affecting the results of the operations of the Group comprising the cultivation of oil palm and processing of fresh fruit bunches to include general climatic conditions, age profile of oil palms, the cyclical nature of annual production and the movements in commodity prices.

8. Dividend paid

There were no dividends paid during the current quarter.

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 quarter ended 31 March 2024.

11. Capital commitments

The amount of capital commitments not provided for in the unaudited interim financial statements as at 31 March 2024 is as follows:

	RM'000
Approved and contracted for	22,455
Approved but not contracted for	<u>17,731</u>
	<u>40,186</u>

12. Changes in contingent liabilities and contingent assets

There were no changes in contingent liabilities or contingent assets since the last annual statement of financial position as at 31 December 2023.

13. Subsequent events

There were no material events subsequent to the end of the three months ended 31 March 2024 that have not been reflected in this interim financial report.

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

1. Review of performance

Current Quarter vs. Previous Year Corresponding Quarter

During this quarter, the Group experienced a decrease in revenue of RM5.07 million (-7%) and a decrease in profit before tax of RM1.53 million (-30%). These declines were primarily driven by a 14% decrease in fresh fruit bunch (FFB) production. This decrease, coupled with lower collection of FFB from third parties, resulted in a decrease in sales volumes of crude palm oil (CPO) by 8%. However, there was a positive offset with the increase in average selling price of CPO by 2%. Additionally, the increase in power export to SESB by 12% and EFB oil sales volume by 28% helped to mitigate the impact of the reduction in FFB production.

	1 st Qtr24 RM'000	1 st Qtr23 RM'000	Variance RM'000	Variance
Revenue	64,467	69,535	-5,068	-7%
Profit before tax	3,499	5,027	-1,528	-30%

Performance of the respective operating business segments for this quarter under review as compared to the preceding year corresponding quarter is analyzed as follows:

- i) Plantation – The plantation segment witnessed a substantial profit decline of 51% in the current quarter compared to the same period last year. Segment profit dropped from RM5.82 million to RM2.88 million. This downturn is primarily driven by a 14% decrease in Fresh Fruit Bunch (FFB) production volume.

	1 st Qtr24 RM'000	1 st Qtr23 RM'000	Variance RM'000	Variance
Segment Revenue	3,799	5,495	1,696	-31%
Segment profit	2,878	5,816	-2,938	-51%
FFB production (MT)	21,402	24,783	3,381	-14%
Average FFB selling price (RM)	726	726	-	-
FFB yield per hectare (MT/Hectare)	2.73	3.14	-0.4	-13%

- ii) Oil Mill – The Oil Mill segment witnessed a significant profit decrease of RM0.76 million (65%), dropping from RM1.17 million to RM0.40 million compared to the same period last year. This decline was primarily attributed to several key factors: a 4% reduction in FFB processed, an 8% decrease in CPO sales volume, and a drop in mill margin due to a decline in the Oil Extraction Rate (OER).

	1 st Qtr24 RM'000	1 st Qtr23 RM'000	Variance RM'000	Variance
Segment Revenue	52,358	57,409	-5,051	-9%
Segment profit	403	1,165	-762	-65%
FFB processed	63,513	66,081	-2,568	-4%
CPO production (MT)	12,259	12,869	-610	-5%
CPO sold (MT)	11,898	12,899	-1,001	-8%
CPO extraction rate (%)	19.30%	19.47%	0.17%	
Average CPO price	3,900	3,973	-73	-2%
Average PK price	2,127	2,004	-123	6%

- iii) Power Plant – Segment profit improved by RM2.11 million, turning around from a loss of RM1.66 million in the previous year's quarter to a profit of RM0.45 million in the current quarter. This improvement was due to increases in revenue from EFB oil sales by RM1.24 million (40%) and power sales to SESB by RM0.43 million (12%). The increase in EFB oil sales was caused by an increase in both the average selling price of EFB oil (by 9%) and the volume of EFB oil sold (by 28%). The increase in power sales was due to a decline in the export of power to SESB in the corresponding period in previous year, which was caused by the shutdown maintenance and repair of the biomass plant from October 2022 to February 2023.

	1 st Qtr24 RM'000	1 st Qtr23 RM'000	Variance RM'000	Variance
Segment Revenue	8,297	6,628	1,669	-31%
Segment profit	448	(1,663)	2,111	>100%
Power Export (Mwh)	10,161	9,061	1,100	12%

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

The Group recorded a profit before tax of RM3.50 million in the quarter under review, compared to RM11.36 million in the immediate preceding quarter, indicating a significant decrease in profit of RM7.86 million (69%). This decline is primarily attributed to a 32% decrease in Fresh Fruit Bunch (FFB) production, which, coupled with low FFB collection from third parties, resulted in a reduction in the volume of crude palm oil (CPO) sales (24%) and profit contribution to the Group. Additionally, power export to SESB decreased by 24%, further impacting the Group's financial performance.

	1 st Qtr24 RM'000	4 th Qtr23 RM'000	Variance RM'000	Variance
Revenue	64,467	85,151	20,684	-24%
Profit before tax	3,499	11,363	7,864	-69%
Plantation				
FFB production (MT)	21,402	31,319	-9,917	-32%
Average FFB selling price	726	664	62	9%
FFB yield per hectare	2.73	4.00	1.27	-32%
Oil Mill				
FFB processed	63,513	80,634	-17,124	-21%
CPO production (MT)	12,259	15,927	-3,668	-23%
CPO sold (MT)	11,898	15,760	-3,862	-24%
CPO extraction rate (%)	19.30%	19.75%	-0.45%	
Average CPO price	3,900	3,672	228	6%
Average PK price	2,127	1,950	177	9%
Power Plant				
Power Export	10,161	13,490	-3,329	-24%

3. Commentary on prospects

The Group anticipates an increase in FFB production in the remaining quarters in line with seasonal trends. However, it also expects palm oil prices to remain lower for the next nine months due to a global production surplus, competition from cheaper alternatives, and weak demand. While reduced inventories and unforeseen events could offer temporary relief, the industry faces ongoing downward pressure.

The Group is anticipating a challenging financial year in 2024 and is focusing on improving cost efficiencies, increasing yields, and boosting productivity through continued mechanization efforts and replanting of older oil palm stands.

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 31.03.2024 (Unaudited) RM'000	3 months ended 31.03.2023 (Unaudited) RM'000	3 months ended 31.03.2024 (Unaudited) RM'000	3 months ended 31.03.2023 (Unaudited) RM'000
Profit for the period is arrived at after charging:				
Depreciation and amortization Property, plant and equipment written off	5,594	5,430	5,594	5,430
Reversal of allowance for expected credit loss	-	48	-	48
	(36)	(66)	(36)	(66)

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 31.03.2024 (Unaudited) RM'000	3 months ended 31.03.2023 (Unaudited) RM'000	3 months ended 31.03.2024 (Unaudited) RM'000	3 months ended 31.03.2023 (Unaudited) RM'000
Income tax				
- Current provision	(1,294)	(1,897)	(1,294)	(1,897)
- Under-provision of tax in prior years	(251)	60	(251)	60
	(1,545)	(1,837)	(1,545)	(1,837)
Deferred tax				
- Relating to origination and reversal of temporary differences	107	(186)	107	(186)
- Under-provision of deferred tax in prior years	-	(44)	-	(44)
	107	(230)	107	(230)
Total income tax expense	(1,438)	(2,067)	(1,438)	(2,067)

The Group's effective tax rate for current quarter is higher than the statutory tax rate of 24% due to the non-recognition of deferred tax asset arising from losses in certain subsidiaries.

7. Borrowings

	As at 31.03.2024 (Unaudited) RM'000	As at 31.12.2023 (Audited) RM'000
Short term borrowings – Secured		
Revolving credit	2,800	300
Term loans	7,500	7,500
	<u>10,300</u>	<u>7,800</u>
Long term borrowings – Secured		
Term loans	15,434	17,309
	<u>15,434</u>	<u>17,309</u>
 Total borrowings	 <u>25,734</u>	 <u>25,109</u>

8. Trade Receivables and other receivables

	As at 31.03.2024 (Unaudited) RM'000	As at 31.12.2023 (Audited) RM'000
Current		
Third parties	10,021	9,304
Less : Allowance for impairment	(220)	(220)
	<u>9,801</u>	<u>9,084</u>
Other receivables, net	10,886	9,646
	<u>20,787</u>	<u>18,730</u>
 Ageing analysis of Current trade receivables :-		
Neither past due nor impaired	9,564	8,557
1 to 30 days	156	520
31 to 60 days	65	-
61 to 90 days	16	7
More than 91 days	220	220
	<u>10,021</u>	<u>9,304</u>
Less : Allowance for impairment	(220)	(220)
	<u>9,801</u>	<u>9,084</u>

Trade receivables are non-interest bearing and generally on 7 to 30 days terms.

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 2024.

10. Material litigation

There are no pending material litigations as at 21 May 2024.

11. Dividend payable

On 22 March 2024, the Board approved the following dividends:

- i. single-tier ordinary dividend of 2.0 sen per ordinary share totalling RM6,179,340 in respect of the financial year ended 31 December 2023 and payable on 29 April 2024; and
- ii. single-tier special dividend of 2.0 sen per ordinary share totalling RM6,179,340 in respect of the financial year ended 31 December 2024 and payable on 29 April 2024.

11. 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	3 months	3 months	3 months
	ended	ended	ended	ended
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit for the period attributable to owners of the parent used in computation of earnings per share (RM'000)	1,913	2,790	1,913	2,790
Weighted average number of ordinary shares in issue ('000)	308,967	308,967	308,967	308,967
Basic Profit earnings per share (sen per share)	0.62	0.90	0.62	0.90

(b) Diluted

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

12. Authorization for issue

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the directors on 21 May 2024.