

TECK GUAN PERDANA BERHAD

(Company No. 307097-A)
(Incorporated in Malaysia)

NOTES TO INTERIM FINANCIAL STATEMENTS

1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134 - Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 January 2009. 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 year ended 31 January 2009.

2. Accounting Policies

The accounting policies and methods of computation adopted consistent with those adopted in the financial statements for the year ended 31 January 2009.

At the date of authorisation of these interim financial statements, the following FRS requirements and Interpretations were issued but not yet effective and have not been applied by the Group:

FRS and Interpretations	Effective for financial periods beginning on or after
FRS 4: Insurance Contracts	1 January 2010
FRS 7: Financial Instruments: Disclosures	1 January 2010
FRS 139: Financial Instruments: Recognition and Measurement	1 January 2010
IC Interpretation 9: Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10: Interim Financial Reporting and Impairment	1 January 2010

The new FRS requirements and Interpretations above are expected to have no significant impact on the financial statements of the Group upon their initial application except for the changes in disclosures arising from the adoption of FRS 7.

The Group is exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 139.

3. Audit Report

There was no audit qualification in the audit report of the preceding annual financial statements.

4. Seasonal and Cyclical Factors

The Group's operations are affected by seasonal crop production, weather conditions and fluctuating commodity prices.

5. Unusual Items

There were no items affecting the assets, liabilities, net income or cash flows that are unusual because of their nature, size or incidence for the interim period.

6. Changes in Estimates

There were no significant changes in the amount of estimates that have had a material effect in the current financial results.

7. Debt and Equities Securities

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

8. Dividend Paid

There was no dividend payment during the current financial period-to-date.

9. Segmental Reporting

Segment analysis for the financial period ended 31 October 2009 is set out below:

	Cocoa Products RM'000	Oil Palm Products RM'000	Elimination RM'000	Consolidated RM'000
Revenue				
External sales	12,350	34,087	-	46,437
Inter-segments sales	2,019	-	(2,019)	-
Total revenue	14,369	34,087	(2,019)	46,437
Results				
Segment results	(2,307)	(212)		(2,519)
Unallocated corporate expenses				(1,002)
Finance Cost, net				(1,195)
Loss Before Tax				<u>(4,716)</u>
Assets				
Segment assets	52,999	142,644		195,643
Unallocated assets				45
				<u>195,688</u>
Liabilities				
Segment liabilities	66,291	81,977		148,268
Unallocated liabilities				46
				<u>148,314</u>
Other information				
Capital expenditure	57	1,414		1,471
Depreciation	1,621	675		2,296
Amortisation	5	416		421

10. Valuations of Property, Plant and Equipment

The valuations of property, plant and equipment have been brought forward without amendment from the previous financial statements.

11. Subsequent Events

There were no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.

12. Changes in Composition of the Group

There are no changes in the composition of the Company and the Group for the financial quarter ended 31 October 2009.

13. Contingent Liabilities

There were no material contingent liabilities since the last annual balance sheet date.

14. Capital Commitment

There were no capital commitments as at the end of the quarter under review.

15. Review of Group's Performance

For the quarter under review, revenue for the Group decreased by 54.3% from RM 35.0 million to RM16.0 million as compared with preceding year corresponding quarter. The decrease was mainly attributed to the slowdown in demand for cocoa products coupled with lower palm products prices.

16. Comment On Material Changes In Profit Before Taxation

The Group registered a loss before taxation of RM3.6 million as compared with a profit before taxation of RM 1.3 million in the immediate preceding quarter. The decrease was principally due to low demand of cocoa products coupled with a decline in average selling price for palm products in the current quarter.

17. Current Year Prospects

The demand for cocoa products remains depressed despite signs of global economy recovery gaining momentum. As for palm oil segment, the management is positive of the sustainable global demand for palm oil products and sustainable prices. The Board is cautious about the Group's performance for the current year in light of the continued uncertainty in the global economic outlook.

18. Profit Forecast

The Group did not announce any profit forecast or profit guarantee during the current financial period.

19. Taxation

	Current Quarter 31/10/2009 RM'000	Year-To- Date 31/10/2009 RM'000
Taxation for the current period	(91)	271
Deferred taxation for the current period	68	(12)
	<u>(23)</u>	<u>259</u>

The effective tax rate of the Group for the current quarter under review was higher than the statutory tax rate mainly due to tax imposed on interest income which is taxable as a separate source.

20. Profit or Loss on Sale of Unquoted Investment and/or Properties

There was no sale of unquoted investments and/or properties during the current quarter and financial year-to-date.

21. Quoted Securities

There was no purchase or disposal of quoted securities during the current quarter and financial year-to-date and there were no investment in quoted shares as at the end of the quarter.

22. Corporate Proposals

There are no corporate proposals announced but not completed as at the date of this report.

23. Borrowings

The Group borrowings, which are denominated in Ringgit Malaysia, as at the end of the reporting period were as follows:

	RM'000
Total Group borrowings	
- Secured	12,540
- Unsecured	0
	<u>12,540</u>
Represented by:-	
Total short term borrowings	
- Secured	6,560
- Unsecured	0
	<u>6,560</u>
Total long term borrowings	
- Secured	5,980
- Unsecured	0
	<u>5,980</u>

24. Off Balance Sheet Financial Instruments

As at balance sheet date, the company had entered into commodity futures contracts for hedging purposes with the following net notional amounts and maturities:

	Maturity within one year	
	As at 31/10/2009 RM'000	As at 31/01/2009 RM'000
Commodity futures contracts	<u>21,024</u>	<u>25,030</u>

25. Material Litigation

There were no pending material litigations at the date of this report.

26. Dividends

No dividend has been declared for the financial quarter under review.

27. Earnings Per Share

The earnings per share for the current quarter and financial year-to-date are calculated by dividing the profit / (loss) for the period by the weighted average number of ordinary shares in issue.

	Current Year Quarter 31/10/2009	Preceding Year Corresponding Quarter 31/10/2008	Current Year To Date 31/10/2009	Preceding Year Corresponding Period 31/10/2008
Profit / (loss) for the period (RM'000)	(3,577)	(337)	(4,975)	1,359
Weighted average number of ordinary shares in issue ('000)	40,097	40,097	40,097	40,097
Basic earnings per share (Sen)	<u>(8.92)</u>	<u>(0.84)</u>	<u>(12.41)</u>	<u>3.39</u>

Basic earnings per ordinary share is calculated by dividing the profit / (loss) for the quarter attributable to ordinary equity holders of the parent company by the weighted average number of ordinary shares in issue during the quarter.

Diluted earnings per share is not disclosed as the Company does not have any dilutive potential on ordinary shares.

By Order of the Board

Chan Kin Dak @ Tan Kin Dak
Company Secretary
21 December 2009