



# **TECK GUAN PERDANA BERHAD**

**(COMPANY NO: 307097 - A)**

**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE THIRD QUARTER ENDED  
31 OCTOBER 2012**

# TECK GUAN PERDANA BERHAD

(Company No. 307097-A)

(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31/10/2012 RM'000	Preceding Year Corresponding Quarter 31/10/2011 RM'000	Current Year ToDate 31/10/2012 RM'000	Preceding Year Corresponding Period 31/10/2011 RM'000
Revenue	50,537	10,072	133,598	128,852
Cost of sales	(53,866)	(10,368)	(133,848)	(117,302)
Gross (loss) / profit	(3,329)	(296)	(250)	11,550
Other income	250	286	874	199
Selling & distribution costs	(1,764)	(262)	(4,699)	(2,659)
Administrative expenses	(1,135)	(1,356)	(4,251)	(3,448)
Interest income	321	92	617	555
Finance cost	(372)	(562)	(2,003)	(2,700)
(Loss) / profit before taxation	(6,029)	(2,098)	(9,712)	3,497
Income tax	(1,357)	141	(1,571)	(1,350)
(Loss) / profit for the period	(7,386)	(1,957)	(11,283)	2,147
<b>Other comprehensive income</b>				
Assets revaluation reserve realised upon depreciation charged	36	35	107	35
Total comprehensive (loss) / income for the period	(7,350)	(1,922)	(11,176)	2,182
(Loss) / profit attributable to: Equity holders of the company	(7,386)	(1,957)	(11,283)	2,147
<b>Earnings per Share Attributable to Equity Holders:</b>				
Basic, for the period (Sen)	(18.42)	(4.88)	(28.14)	5.35
Diluted, for the period (Sen)	na	na	na	na

*The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements of the Company for the year ended 31 January 2012 and the accompanying explanatory notes attached to the interim financial statements.*

# TECK GUAN PERDANA BERHAD

(Company No. 307097-A)

(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As At End Of Current Quarter 31/10/2012 RM'000	As At Preceding Financial Year End 31/01/2012 RM'000
<b><u>ASSETS</u></b>		
<b>Non-current assets</b>		
Property, plant & equipment	43,008	44,050
Biological assets	12,104	12,636
Goodwill on consolidation	2,624	2,624
Deferred tax assets	8	8
	<hr/> 57,744	<hr/> 59,318
<b>Current assets</b>		
Inventories	50,841	38,330
Trade and other receivables	7,570	5,743
Amount due from holding company	1,504	-
Taxation recoverable	290	287
Cash and bank balances	10,843	30,205
	<hr/> 71,048	<hr/> 74,564
<b>TOTAL ASSETS</b>	<hr/> <b>128,792</b>	<hr/> <b>133,883</b>
<b><u>EQUITY &amp; LIABILITIES</u></b>		
<b>Equity</b>		
Share capital	40,097	40,097
Share premium	7	7
Reserves	17,148	17,255
Accumulated losses	(13,102)	(1,926)
<b>Total Equity</b>	<hr/> 44,150	<hr/> 55,433
<b>Non-current liability</b>		
Term loan	27,627	35,229
Deferred tax liabilities	7,622	7,408
	<hr/> 35,249	<hr/> 42,637
<b>Current liabilities</b>		
Borrowings	22,272	29,695
Trade and other payables	27,121	6,118
	<hr/> 49,393	<hr/> 35,813
<b>Total liabilities</b>	<hr/> 84,642	<hr/> 78,450
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<hr/> <b>128,792</b>	<hr/> <b>133,883</b>
<b>NET ASSETS PER SHARE (SEN)</b>	110.11	138.25

*The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements of the Company for the year ended 31 January 2012 and the accompanying explanatory notes attached to the interim financial statements.*

# TECK GUAN PERDANA BERHAD

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## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to owners of the parent →				Total Equity RM'000
	Non-Distributable		Distributable		
	Share Capital RM'000	Share Premium RM'000	Reserves RM'000	Accumulated Losses RM'000	
<b>At 1 February 2011</b>	40,097	7	17,397	(5,848)	51,653
Total comprehensive income for the year	-	-	(142)	3,922	3,780
<b>At 31 January 2012</b>	40,097	7	17,255	(1,926)	55,433
Total comprehensive loss for the period	-	-	(107)	(11,176)	(11,283)
<b>At 31 October 2012</b>	40,097	7	17,148	(13,102)	44,150

*The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements of the Company for the year ended 31 January 2012 and the accompanying explanatory notes attached to the interim financial statements.*

# TECK GUAN PERDANA BERHAD

(Company No. 307097-A)

(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	<b>Current Year Totale 31/10/2012 RM'000</b>	<b>Preceding Year Corresponding Period 31/10/2011 RM'000</b>
<b>Operating activities</b>		
(Loss)/profit before taxation	(9,712)	3,497
<u>Adjustments for:</u>		
Depreciation of property, plant and equipment	1,300	1,168
Amortisation of biological assets	571	573
Plant and equipment written off	2	34
Gain on disposal of property, plant and equipment	(34)	(68)
Interest income	(617)	(555)
Interest expense	2,003	2,700
Total adjustments	<u>3,225</u>	<u>3,852</u>
<b>Operating cash flows before changes in working capital</b>	(6,487)	7,349
Increase in inventories	(12,512)	(23,124)
(Increase)/Decrease in trade and other receivables	(3,331)	60,611
Increase/(Decrease) in trade and other payables	<u>21,003</u>	<u>(67,852)</u>
Total changes in working capital	<u>5,160</u>	<u>(30,365)</u>
Cash flows used in operations	(1,327)	(23,016)
Interest paid	(2,003)	(2,700)
Income tax paid	(1,545)	(1,593)
Income tax refunded	184	130
Interest received	<u>617</u>	<u>555</u>
<b>Net cash flows used in operating activities</b>	<u>(4,074)</u>	<u>(26,624)</u>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(523)	(1,630)
Proceeds from disposal of property, plant and equipment	<u>260</u>	<u>68</u>
<b>Net cash flows used in investing activities</b>	<u>(263)</u>	<u>(1,562)</u>

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Cont')

	<b>Current Year To date 31/10/2012 RM'000</b>	<b>Preceding Year Corresponding Period 31/10/2011 RM'000</b>
<b>Financing Activities</b>		
Repayment of bankers' acceptances (Repayment)/Advance of term loans	(5,739) (7,448)	(21,644) 41,747
<b>Net cash flows (used in)/generated from financing activities</b>	<b>(13,187)</b>	<b>20,103</b>
<b>Net decrease in cash &amp; cash equivalents</b>	<b>(17,524)</b>	<b>(8,083)</b>
<b>Cash &amp; cash equivalents at beginning of the period</b>	<b>28,367</b>	<b>11,443</b>
<b>Cash &amp; cash equivalents at end of the period</b>	<b>10,843</b>	<b>3,360</b>
	As At 31/10/2012	As At 31/10/2011
*Cash & cash equivalents at end of the period consists of:		
Cash and Bank Balances	10,843	3,533
Bank Overdrafts	-	(173)
	<b>10,843</b>	<b>3,360</b>

*The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements of the Company for the year ended 31 January 2012 and the accompanying explanatory notes attached to the interim financial statements.*

# 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 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 year ended 31 January 2012.

### 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 2012 except for the adoption of the following new Financial Reporting Standards ("FRSs"), Amendments and Issues Committee ("IC") Interpretations with effect from 1 January 2012.

#### FRSs, Amendments and IC Interpretations

IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
Amendments to IC Interpretation 14	Prepayments of a Minimum Funding Requirement
Amendments to FRS 1	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
Amendments to FRS 7	Transfers of Financial Assets
Amendments to FRS 112	Deferred Tax: Recovery of Underlying Assets
FRS 124	Related Party Disclosures

The adoption of the above did not have any significant effects on the interim financial report upon their initial application.

At the date of authorisation of these interim financial statements, the following new FRSs, Amendments to FRSs and Interpretations were issued but not yet effective and have not been applied by the Group (for the FRS Framework) :

#### FRSs, Amendments to FRSs and Interpretations

Amendments to FRS 9 (IFRS 9(2009), FRS 9 (IFRS 9(2010)), and FRS 7	Mandatory Effective Date of FRS 9 and Transition Disclosures
Amendments to FRS 101	Presentations of Items of Other Comprehensive Income

## Accounting policies (con't)

FRS 9 (IFRS 9(2009))	Financial Instruments (IFRS 9 issued by IASB in November 2009)
FRS 9 (IFRS 9(2010))	Financial Instruments (IFRS 9 issued by IASB in October 2010)
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	Investments in Associate and Joint Ventures
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine
Amendments to FRS 7	Disclosure - Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 132	Offsetting Financial Assets and Financial Liabilities
FRS 9	Financial Instruments

The directors expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application, except as disclosed below:

### (a) Amendments to FRS 101: Presentation of Items of Other Comprehensive Income

The amendments to FRS 101 change the grouping of items presented in Other Comprehensive Income. Items that could be reclassified (or “recycled”) to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified. The amendment affects presentation only and has no impact on the Group’s financial position or performance.

### (b) FRS 9: Financial Instruments

FRS 9 reflects the first phase of work on the replacement of FRS 139 and applies to classification and measurement of financial assets and financial liabilities as defined in FRS 139. The adoption of this first phase of FRS 9 will have an effect on the classification and measurement of the Group’s financial assets but will potentially have no impact on classification and measurements of financial liabilities.

### (c) FRS 10: Consolidated financial statements

FRS 10 replaces the portion of FRS 127 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. FRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by FRS 10 will require management to exercise significant judgement to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in FRS 127.



## **Accounting policies (con't)**

### **(d) FRS 13: Fair Value Measurement**

FRS 13 establishes a single source of guidance under FRS for all fair value measurements. FRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under FRS when fair value is required or permitted.

### **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').

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 accordingly, will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 January 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.

Accordingly, the consolidated financial performance and financial position as disclosed in these financial statements for the year ended 31 January 2012 could be different if prepared under the MFRS Framework.

### **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 due to their nature, size of incidence**

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 equities 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 period ended 31 October 2012 is set out below:

	<b>Oil Palm Products RM'000</b>	<b>Cocoa Products RM'000</b>	<b>Elimination RM'000</b>	<b>Consolidated RM'000</b>
<b>Revenue</b>				
External sales	120,760	12,838	-	133,598
Inter-segments sales	-	3,053	(3,053)	-
Total revenue	120,760	15,891	(3,053)	133,598
<b>Results</b>				
Segment results	(3,402)	(3,284)		(6,686)
Unallocated corporate expenses				(1,023)
Finance Cost, net				(2,003)
Loss Before Tax				<u>(9,712)</u>
<b>Assets</b>				
Segment assets	79,367	47,799		127,166
Unallocated assets				1,626
				<u>128,792</u>
<b>Liabilities</b>				
Segment liabilities	82,522	1,995		84,517
Unallocated liabilities				125
				<u>84,642</u>
<b>Other information</b>				
Capital expenditure	510	13		523
Depreciation	988	312		1,300
Amortisation	571	-		571

## **Segmental Reporting (Con't)**

### **Oil Palm Products**

The oil palm products segment remained the Group's main source of revenue, which contributed 90.4% of the revenue of the Group in the current quarter.

Planted areas of the Group have attained maturity, with average crop age of 10 years and yield for fresh fruit bunches achieved an increase of approximately 8.5% as compared with preceding year corresponding quarter coupled with an increase in sales volume for crude palm kernel oil in the current quarter.

For the quarter under review, turnover for this segment increased from RM 7.2 million in preceding year corresponding quarter to RM 45.1 million in current quarter.

Nevertheless, due to sudden decrease in prices for oil palm products in the current quarter, this segment suffered a loss of RM4.3 million in current quarter as compared with a loss of RM1.2 million in the preceding year quarter. The increase in loss was mainly attributed to lower selling price of oil palm products in the current quarter.

### **Cocoa Products**

Cocoa products segment contributed 9.6% of the revenue of the Group. Revenue for this segment increased from RM2.8 million in preceding year corresponding quarter to RM 5.4 million in current quarter, an increase of 92.2%. The increase was mainly attributed to an increase for both production and sales volume for cocoa butter and cocoa powder.

Nevertheless, due to sudden decrease in prices for cocoa products in the current quarter, this segment suffered a loss of RM1.1 million as compared with a marginal profit of RM 4,000 in the preceding year corresponding quarter.

## **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. 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 2012.

## **12. Discontinued operation**

There was no discontinued operation during the quarter ended 31 October 2012.

### 13. Capital commitment

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

### 14. Contingent liabilities

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

### 15. Material related party transactions

Significant transactions between the Group and its jointly controlled entities are as follows:

	9 months ended 31 October 2012 RM'000
Sale of crude palm kernel oil	100,128
Purchase of palm kernel	49,377
Sale of fresh fruit bunches	7,272
Purchase of fertilizers, chemicals, etc.	1,448
Sale of cocoa powder	763
Rental on factory building and infrastructures	1,627
Sale of chocolate products	813

### 16. Subsequent Events

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

### 17. Review of Group's Performance

For the quarter under review, revenue for the Group increased by 402% from RM10.1 million to RM50.5 million as compared with preceding year corresponding quarter. The increase was mainly attributed to the increase in export volume in the oil palm segment.

### 18. Comment On Material Changes In Profit Before Taxation

The Group registered a loss before taxation of RM6.0 million as compared with a loss of RM2.4 million in the immediate preceding quarter. The increase was mainly attributed to lower selling prices for oil palm and cocoa products.

## 19. Current Year Prospects

Barring unforeseen circumstances, oil palm crop yields for the current financial year are expected to be encouraging with more palms attaining prime age and the adoption of comprehensive fertilizing program. Although prices for oil palm products went down recently due to record high stock globally and global economic uncertainty, short term crude palm oil price is expected to be sustainable at the current level, supported by accelerated demand from China and India.

The cocoa products segment is viewed to remain uncertain and the management will adopt a cautious view in the operation of this segment.

For the current and final quarter, the management remains cautiously optimistic in the operation of the Group.

## 20. Profit Forecast

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

## 21. Loss Before Tax

The following (gain)/loss have been included in arriving at loss before tax:

	Quarter Ended 31.10.2012 RM'000	Year-to-date 31.10.2012 RM'000
Interest Income	(321)	(617)
Interest Expenses	371	2,003
Rental Income	(41)	(109)
Depreciation and amortisation	623	1,871
Net foreign exchange (gain)/loss	(110)	694
Rental of premises	12	20
Rental of equipment	30	76
Rental of land and factory	549	1,647

## 22. Taxation

	Current Quarter 31/10/2012 RM'000	Year-To- Date 31/10/2012 RM'000
Taxation for the current period	318	1,357
Deferred taxation for the current period	1,039	214
	<u>1,357</u>	<u>1,571</u>

### **23. 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.

### **24. 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.

### **25. Corporate Proposals**

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

### **26. Borrowings**

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

	<b>RM'000</b>
Short-term borrowings – secured	22,272
Long-term borrowings – secured	<u>27,627</u>
	<u>49,899</u>

### **27. Financial Instruments**

There have been no significant changes to the Group's exposure credit risk, market risk and liquidity risk from the previous financial year. Also, there have been no changes to the Group's risk management objectives, policies and processes since the previous financial year end.

There were no financial instruments with off balance sheet risk as at the date of announcement.

## Financial Instruments (Con't)

The un-hedged financial assets and liabilities of the Group that are not denominated in their functional currencies as at the current quarter ended are as follows:-

Functional currency of the Group	Un-hedged financial assets/(liabilities) held in non-functional currencies		
	Sterling Pound	United States Dollar	Total
	RM'000	RM'000	RM'000
Trade and other receivables	3,246	2,942	6,188
Cash and bank balances	235	9,967	10,202
Borrowings	-	(34,866)	(34,866)
Total	3,481	(21,957)	(18,476)

### 28. Material Litigation

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

### 29. Dividends

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

### 30. Earnings Per Share

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

	Current Year Quarter 31/10/2012	Preceding Year Corresponding Quarter 31/10/2011	Current Year To Date 31/10/2012	Preceding Year Corresponding Period 31/10/2011
(Loss) / Profit for the period (RM'000)	(7,386)	(1,957)	(11,283)	2,147
Weighted average number of ordinary shares in issue ('000)	40,097	40,097	40,097	40,097
Basic earnings per share (Sen)	<u>(18.42)</u>	<u>(4.88)</u>	<u>(28.14)</u>	<u>5.35</u>

Basic earnings per ordinary share is calculated by dividing the (loss)/profit 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.

### 31. Disclosure of realised and unrealised profits and losses

Realised and unrealised accumulated losses of the Group is analysed as follows:

	As at 31.10.2012 RM'000	As at 31.01.2012 RM'000
Total accumulated losses of TGPB and its subsidiaries		
- Realised	(13,133)	(2,613)
- Unrealised	(7,614)	(7,400)
	(20,747)	(10,013)
Less: Consolidation adjustments	7,645	8,087
Total group accumulated losses as per consolidated accounts	(13,102)	(1,926)

#### By Order of the Board

Chan Kin Dak @ Tan Kin Dak  
Company Secretary  
26 December 2012