



TECK GUAN PERDANA BERHAD

(COMPANY NO: 307097 - A)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED
31 JANUARY 2014**

TECK GUAN PERDANA BERHAD

(Company No. 307097-A)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31/01/2014 RM'000	Preceding Year Corresponding Quarter 31/01/2013 RM'000	Current Year To date 31/01/2014 RM'000	Preceding Year Corresponding Period 31/01/2013 RM'000
Revenue	62,266	35,866	202,257	169,464
Cost of sales	(54,636)	(45,610)	(176,576)	(179,458)
Gross profit / (Loss)	7,630	(9,744)	25,681	(9,994)
Other income / (expenses)	(1,317)	18	960	891
Selling & distribution costs	(2,271)	(1,337)	(9,054)	(6,035)
Administrative expenses	(1,892)	(4,374)	(7,281)	(8,625)
Interest income	50	174	509	791
Finance cost	(374)	(603)	(2,150)	(2,606)
Profit / (Loss) before taxation	1,826	(15,866)	8,665	(25,578)
Income tax	(147)	2,580	(1,751)	1,009
Profit / (Loss) for the period	1,679	(13,286)	6,914	(24,569)
Other comprehensive income				
Assets revaluation reserve realised upon depreciation charged	-	35	-	142
Revaluation of land and buildings, and biological assets	-	52,373	-	52,373
Income tax relating to components of other comprehensive income	-	(13,093)	-	(13,093)
Total comprehensive income for the year	1,679	26,029	6,914	14,853

TECK GUAN PERDANA BERHAD

(Company No. 307097-A)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31/01/2014 RM'000	Preceding Year Corresponding Quarter 31/01/2013 RM'000	Current Year To date 31/01/2014 RM'000	Preceding Year Corresponding Period 31/01/2013 RM'000
Profit / (Loss) attributable to: Equity holders of the company	1,679	(13,286)	6,914	(24,569)
Total comprehensive income attributable to: Equity holders of the company	1,679	26,029	6,914	14,853
Earnings / (loss) per Share Attributable to Equity Holders:				
Basic, for the period (Sen)	4.19	(33.13)	17.24	(61.27)
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 2013 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 31/01/2014 RM'000	As At Preceding Financial Year End 31/01/2013 RM'000
<u>ASSETS</u>		
Non-current assets		
Property, plant & equipment	61,072	62,165
Biological assets	42,144	44,860
Deferred tax assets	7	6
	<hr/> 103,223	<hr/> 107,031
Current assets		
Inventories	30,191	33,861
Trade and other receivables	4,507	4,634
Amount due from holding company	-	1,530
Tax recoverable	-	262
Cash and bank balances	14,738	29,361
	<hr/> 49,436	<hr/> 69,648
TOTAL ASSETS	<hr/> <hr/> 152,659	<hr/> <hr/> 176,679
<u>EQUITY & LIABILITIES</u>		
Equity		
Share capital	40,097	40,097
Share premium	7	7
Reserves	54,523	56,393
Accumulated losses	(17,569)	(26,353)
Total Equity	<hr/> 77,058	<hr/> 70,144
Non-current liability		
Term loan	17,179	25,547
Deferred tax liabilities	17,857	17,955
	<hr/> 35,036	<hr/> 43,502
Current liabilities		
Borrowings	17,990	29,969
Trade and other payables	22,063	32,748
Derivative	96	316
Provision for taxation	416	-
	<hr/> 40,565	<hr/> 63,033
Total liabilities	<hr/> 75,601	<hr/> 106,535
TOTAL EQUITY & LIABILITIES	<hr/> <hr/> 152,659	<hr/> <hr/> 176,679
NET ASSETS PER SHARE (SEN)	192.18	174.94

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 2013 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 Profits/ (Losses) RM'000	
At 1 February 2012	40,097	7	17,255	(1,926)	55,433
Total comprehensive income for the year	-	-	39,280	(24,569)	14,711
Assets revaluation reserve realised upon depreciation charged	-	-	(142)	142	-
At 31 January 2013	40,097	7	56,393	(26,353)	70,144
Total comprehensive income for the year	-	-	-	6,914	6,914
Assets revaluation reserve realised upon depreciation charged	-	-	(1,870)	1,870	-
At 31 January 2014	40,097	7	54,523	(17,569)	77,058

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 2013 and the accompanying explanatory notes attached to the interim financial statements.

TECK GUAN PERDANA BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current Year To date 31/01/2014 RM'000	Preceding Year Corresponding Period 31/01/2013 RM'000
Operating activities		
Profit / (Loss) before taxation	8,665	(25,578)
<u>Adjustments for:</u>		
Depreciation of property, plant and equipment	2,080	1,785
Amortisation of biological assets	2,715	709
Gain on disposal of property, plant and equipment	(10)	(33)
Goodwill written off	-	2,624
Interest income	(509)	(791)
Interest expense	2,150	2,606
Total adjustments	<u>6,426</u>	<u>6,900</u>
Operating cash flows before changes in working capital	15,091	(18,678)
Decrease in inventories	3,670	4,469
Decrease / (Increase) in trade and other receivables	1,657	(421)
(Decrease) / Increase in trade and other payables	<u>(10,905)</u>	<u>26,946</u>
Total changes in working capital	<u>(5,578)</u>	<u>30,994</u>
Cash flows generated from operations	9,513	12,316
Interest paid	(2,150)	(2,606)
Income tax paid	(1,514)	(1,900)
Income tax refunded	343	389
Interest received	<u>509</u>	<u>791</u>
Net cash flows generated from operating activities	<u>6,701</u>	<u>8,990</u>
Investing activities		
Purchase of property, plant and equipment	(988)	(733)
Proceeds from disposal of property, plant and equipment	11	307
Net cash flows used in investing activities	<u>(977)</u>	<u>(426)</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

	Current Year To date 31/01/2014 RM'000	Preceding Year Corresponding Period 31/01/2013 RM'000
Financing Activities		
(Repayment) / Drawdown of bankers' acceptances	(12,080)	1,768
Repayment of term loan	(8,343)	(9,372)
Net cash flows used in financing activities	<u>(20,423)</u>	<u>(7,604)</u>
Net (decrease) / increase in cash & cash equivalents	(14,699)	960
Cash & cash equivalents at beginning of the year	29,327	28,367
Cash & cash equivalents at end of the year	<u>14,628</u>	<u>29,327</u>
	As At 31/01/2014 RM'000	As At 31/01/2013 RM'000
*Cash & cash equivalents at end of the year consists of:		
Cash and Bank Balances	14,738	29,361
Bank Overdrafts	(110)	(34)
	<u>14,628</u>	<u>29,327</u>

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 2013 and the accompanying explanatory notes attached to the interim financial statements.

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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 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 year ended 31 January 2013.

2. Accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 January 2013 except for the following Financial Reporting Standards (FRSs), Amendments to FRSs and Interpretations which take effect from 1 January 2013.

Description	Effective for annual periods beginning on or after
MFRS 101 Presentation of Items of Other Comprehensive Income (Amendments to MFRS 101)	1 July 2012
Amendments to FRS 101: Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)	1 January 2013
MFRS 3 Business Combinations (IFRS 3 Business Combinations issued by IASB in March 2004)	1 January 2013
MFRS 10 Consolidated Financial Statements	1 January 2013
MFRS 11 Joint Arrangements	1 January 2013
MFRS 12 Disclosure of interests in Other Entities	1 January 2013
MFRS 13 Fair Value Measurement	1 January 2013
MFRS 119 Employee Benefits	1 January 2013
MFRS 127 Separate Financial Statements	1 January 2013
MFRS 128 Investment in Associate and Joint Ventures	1 January 2013
MFRS 127 Consolidated and Separate Financial Statements (IAS 27 as revised by IASB in December 2003)	1 January 2013
Amendment to IC Interpretation 2 Members' Shares in Co-operative Entities and Similar Instruments (Annual Improvements 2009-2011 Cycle)	1 January 2013
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to MFRS 7: Disclosures - Offsetting Financial	1 January 2013

Significant accounting policies (cont'd)

Description	Effective for annual periods beginning on or after
Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards - Government Loans	1 January 2013
Amendments to MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2009-2011 Cycle)	1 January 2013
Amendments to MFRS 116: Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)	1 January 2013
Amendments to MFRS 132: Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)	1 January 2013
Amendments to MFRS 134: Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)	1 January 2013
Amendments to MFRS 10: Consolidated Financial Statements: Transition Guidance	1 January 2013
Amendments to MFRS 11: Joint Arrangements: Transition Guidance	1 January 2013
Amendments to MFRS 12: Disclosure of Interests in Other Entities: Transition Guidance	1 January 2013

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

Malaysian Financial Reporting Standards (MFRS Framework).

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued anew 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. However, on 7 August 2013, MASB decided to extend the transitional period for another year, i.e. the adoption of the MFRS Framework by the Transitioning Entities will now be mandatory for annual periods on or after 1 January 2015.

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 2016. 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.

Significant accounting policies (cont'd)

Accordingly, the consolidated financial performance and financial position as disclosed in these financial statements for the year ended 31 January 2013 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 year ended 31 January 2014 is set out below:

	Palm Oil Products RM'000	Cocoa Products RM'000	Elimination RM'000	Consolidated RM'000
Revenue				
External sales	192,619	9,638	-	202,257
Inter-segments sales	-	40	(40)	-
Total revenue	<u>192,619</u>	<u>9,678</u>	<u>(40)</u>	<u>202,257</u>
Results				
Segment results	11,290	778		12,068
Unallocated corporate expenses				(1,253)
Finance Cost, net				<u>(2,150)</u>
Profit Before Tax				<u>8,665</u>
Assets				
Segment assets	123,357	29,054		152,411
Unallocated assets				<u>248</u>
				<u>152,659</u>
Liabilities				
Segment liabilities	69,451	5,826		75,277
Unallocated liabilities				<u>324</u>
				<u>75,601</u>
Other information				
Capital expenditure	987	1		988
Depreciation	1,717	363		2,080
Amortisation	2,716	-		2,716

Segmental Reporting (continued)

Palm Oil Products

The palm oil products segment remained the Group's main source of revenue, which contributed 97.1% of the revenue of the Group in the current quarter.

Fresh fruit bunches yield recorded a marginally decrease of 0.2% as compared with preceding year corresponding quarter. On the other hand, sales volume for crude palm kernel oil and palm kernel expeller registered an increase by 12.9% and 251.1% respectively.

For the quarter under review, revenue for this segment increased from RM 30.4 million in preceding year corresponding quarter to RM 60.5 million in current quarter. The increase was mainly attributed to increase in both sales volume and selling price for palm oil products.

The palm oil products segment turned in an operating profit of RM2.6 million in the current quarter compared to a loss of RM3.1 million in the preceding year corresponding quarter. The increase was mainly attributed to increase in both sales volume and selling price for palm oil products.

Cocoa Products

The contribution of the Cocoa products segment to the revenue of the Group, at 2.9%, is insignificant. This segment recorded positive operating results up to the current 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 January 2014.

12. Discontinued operation

There was no discontinued operation during the quarter ended 31 January 2014.

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:

	12 months ended 31 January 2014 RM'000
Sale of crude palm kernel oil	82,864
Purchase of palm kernel	64,246
Sale of fresh fruit bunches	8,767
Purchase of fertilizers, chemicals, etc.	1,063
Sale of cocoa powder	648
Rental on factory building and infrastructures	2,243
Sale of chocolate products	1,091

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 73.6% from RM35.9 million to RM62.3 million as compared with preceding year corresponding quarter. The increase was mainly attributed to the increase in sales volume and selling price for palm oil products.

18. Comment On Material Changes In Profit Before Taxation

The Group registered a profit before taxation of RM1.8 million as compared with a profit of RM3.2 million in the immediate preceding quarter. The decrease was mainly attributed to a decrease in operating margin for palm oil products in the current quarter.

19. Next Year Prospects

Barring unforeseen circumstances, fresh fruit bunches yield for the next financial year is expected to be lower due to the effect of the existing dry season.

According to industry reports, the recent improvement in palm oil products price is expected to maintain in the near term.

The market for the cocoa products segment, although its contribution to the group basis is insignificant, still remains uncertain.

For the next financial year, the management remains cautiously positive 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. Profit Before Tax

The following items have been included in arriving at profit before tax:

	Quarter Ended 31.01.2014 RM'000	Year-to-date 31.01.2014 RM'000
Interest Income	(50)	(509)
Interest Expenses	374	2,150
Rental Income	(41)	(166)
Depreciation and amortisation	1,196	4,795
Net foreign exchange loss	1,511	666
Rental of premises	12	47
Rental of equipment	17	67
Rental of land and factory	549	2,196

22. Taxation

	Current Quarter 31/01/2014 RM'000	Year-To- Date 31/01/2014 RM'000
Taxation for the current period	612	1,849
Deferred taxation for the current period	(465)	(98)
	<u>147</u>	<u>1,751</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:

	RM'000
Short-term borrowings – secured	17,990
Long-term borrowings – secured	17,179
	<u>35,169</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.

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		
	Great Britain Pound	United States Dollar	Total
	RM'000	RM'000	RM'000
Trade and other receivables	-	3,291	3,291
Cash and bank balances	2	7,870	7,872
Borrowings	-	(27,459)	(27,459)
Total	2	(16,298)	(16,296)

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 profit/ (loss) for the period by the weighted average number of ordinary shares in issue.

	Current Year Quarter 31/01/2014	Preceding Year Corresponding Quarter 31/01/2013	Current Year To Date 31/01/2014	Preceding Year Corresponding Period 31/01/2013
Profit / (Loss) for the period (RM'000)	1,679	(13,286)	6,914	(24,569)
Weighted average number of ordinary shares in issue ('000)	40,097	40,097	40,097	40,097
Basic earnings per share (Sen)	<u>4.19</u>	<u>(33.13)</u>	<u>17.24</u>	<u>(61.27)</u>

Basic earnings per ordinary share is calculated by dividing the profit/(loss) for the quarter attributable to ordinary equity holders of the 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 profits/ (losses) of the Group is analysed as follows:

	As at 31.01.2014 RM'000	As at 31.01.2013 RM'000
Total accumulated profits/ (losses) of TGPB and its subsidiaries		
- Realised	7,438	(3,179)
- Unrealised	(19,544)	(17,948)
	(12,106)	(21,127)
Less: Consolidation adjustments	(5,463)	(5,226)
Total group accumulated losses as per consolidated accounts	<u>(17,569)</u>	<u>(26,353)</u>

By Order of the Board

Chan Kin Dak @ Tan Kin Dak
Company Secretary
26 March 2014