



TECK GUAN PERDANA BERHAD

(COMPANY NO: 307097 - A)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED
30 APRIL 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 30/04/2014 RM'000	Preceding Year Corresponding Quarter 30/04/2013 RM'000	Current Year To date 30/04/2014 RM'000	Preceding Year Corresponding Period 30/04/2013 RM'000
Revenue	82,225	53,561	82,225	53,561
Cost of sales	(72,118)	(48,207)	(72,118)	(48,207)
Gross profit	10,107	5,354	10,107	5,354
Other (expenses)/ income	(13)	1,082	(13)	1,082
Selling & distribution costs	(2,216)	(2,503)	(2,216)	(2,503)
Administrative expenses	(1,920)	(1,208)	(1,920)	(1,208)
Interest income	47	198	47	198
Finance cost	(675)	(668)	(675)	(668)
Profit before taxation	5,330	2,255	5,330	2,255
Income tax	(1,559)	(103)	(1,559)	(103)
Profit for the period	3,771	2,152	3,771	2,152
Other comprehensive income				
Assets revaluation reserve realised upon depreciation charged	-	639	-	639
Total comprehensive income for the period	3,771	2,791	3,771	2,791

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 30/04/2014 RM'000	Preceding Year Corresponding Quarter 30/04/2013 RM'000	Current Year To date 30/04/2014 RM'000	Preceding Year Corresponding Period 30/04/2013 RM'000
Profit attributable to: Equity holders of the company	3,771	2,152	3,771	2,152
Total comprehensive income attributable to: Equity holders of the company	3,771	2,791	3,771	2,791
Earnings per Share Attributable to Equity Holders:				
Basic, for the period (Sen)	9.40	5.37	9.40	5.37
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 2014 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 30/04/2014 RM'000	As At Preceding Financial Year End 31/01/2014 RM'000
<u>ASSETS</u>		
Non-current assets		
Property, plant & equipment	60,564	61,072
Biological assets	41,465	42,144
Deferred tax assets	5	5
	<hr/> 102,034	<hr/> 103,221
Current assets		
Inventories	24,536	30,191
Trade and other receivables	36,110	4,507
Cash and bank balances	42,710	14,738
	<hr/> 103,356	<hr/> 49,436
TOTAL ASSETS	<hr/> 205,390	<hr/> 152,657
<u>EQUITY & LIABILITIES</u>		
Equity		
Share capital	40,097	40,097
Share premium	7	7
Reserves	53,872	54,339
Accumulated losses	(13,056)	(17,294)
Total Equity	<hr/> 80,920	<hr/> 77,149
Non-current liability		
Term loan	14,477	17,179
Deferred tax liabilities	18,742	17,764
	<hr/> 33,219	<hr/> 34,943
Current liabilities		
Borrowings	40,338	17,990
Trade and other payables	50,211	22,063
Derivative	-	96
Provision for taxation	702	416
	<hr/> 91,251	<hr/> 40,565
Total liabilities	<hr/> 124,470	<hr/> 75,508
TOTAL EQUITY & LIABILITIES	<hr/> 205,390	<hr/> 152,657
NET ASSETS PER SHARE (SEN)	201.81	192.41

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 2014 and the accompanying explanatory notes attached to the interim financial statements.

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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 2013	40,097	7	56,392	(26,353)	70,143
Total comprehensive income for the year	-	-	-	7,006	7,006
Assets revaluation reserve realised upon depreciation charged	-	-	(2,053)	2,053	-
At 31 January 2014	40,097	7	54,339	(17,294)	77,149
Total comprehensive income for the period	-	-	-	3,771	3,771
Assets revaluation reserve realised upon depreciation charged	-	-	(467)	467	-
At 30 April 2014	40,097	7	53,872	(13,056)	80,920

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 2014 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 30/04/2014 RM'000	Preceding Year Corresponding Period 30/04/2013 RM'000
Operating activities		
Profit before taxation	5,330	2,255
<u>Adjustments for:</u>		
Depreciation of property, plant and equipment	495	520
Amortisation of biological assets	693	679
Gain on disposal of property, plant and equipment	-	(3)
Interest income	(47)	(198)
Interest expense	675	668
Total adjustments	<u>1,816</u>	<u>1,666</u>
Operating cash flows before changes in working capital	7,146	3,921
Decrease in inventories	5,655	18,697
Increase in trade and other receivables	(31,603)	(31,069)
Increase/ (Decrease) in trade and other payables	<u>28,052</u>	<u>(2,767)</u>
Total changes in working capital	<u>2,104</u>	<u>(15,139)</u>
Cash flows generated from/ (used in) operations	9,250	(11,218)
Interest paid	(675)	(668)
Income tax paid	(295)	(526)
Income tax refunded	-	181
Interest received	<u>47</u>	<u>198</u>
Net cash flows generated from/ (used in) operating activities	<u>8,327</u>	<u>(12,033)</u>
Investing activities		
Purchase of property, plant and equipment	(1)	(18)
Proceeds from disposal of property, plant and equipment	-	3
Net cash flows used in investing activities	<u>(1)</u>	<u>(15)</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

	Current Year To date 30/04/2014 RM'000	Preceding Year Corresponding Period 30/04/2013 RM'000
Financing Activities		
Drawdown/ (Repayment) of bankers' acceptances	23,025	(9,159)
Repayment of term loan	(3,318)	(3,196)
	<hr/>	<hr/>
Net cash flows generated from/ (used in) financing activities	19,707	(12,355)
	<hr/>	<hr/>
Net increase/ (decrease) in cash & cash equivalents	28,033	(24,403)
Cash & cash equivalents at beginning of the period	14,628	29,327
	<hr/>	<hr/>
Cash & cash equivalents at end of the period	42,661	4,924
	<hr/>	<hr/>
	As At 30/04/2014 RM'000	As At 30/04/2013 RM'000
*Cash & cash equivalents at end of the period consists of:		
Cash and Bank Balances	42,710	5,155
Bank Overdrafts	(49)	(231)
	<hr/>	<hr/>
	42,661	4,924
	<hr/>	<hr/>

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 2014 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 2014. 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 2014.

2. Accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 January 2014 except for the following Financial Reporting Standards (FRSs), Amendments to FRSs and Interpretations which take effect from 1 January 2014.

Effective beginning on or after 1 January 2014

Amendments to MFRS 10	Consolidated Financial Statements
Amendments to MFRS 12	Disclosure of Interests in Other Entities
Amendments to MFRS 127	Consolidated and Separate Financial Statements
Amendments to MFRS 132	Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 136	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to MFRS 139	Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21	Levies

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.

Accordingly, the consolidated financial performance and financial position as disclosed in these financial statements for the year ended 31 January 2014 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 30 April 2014 is set out below:

	Palm Oil Products RM'000	Cocoa Products RM'000	Elimination RM'000	Consolidated RM'000
Revenue				
External sales	79,508	2,717	-	82,225
Inter-segments sales	-	10	(10)	-
Total revenue	<u>79,508</u>	<u>2,727</u>	<u>(10)</u>	<u>82,225</u>
Results				
Segment results	5,641	684		6,325
Unallocated corporate expenses				(320)
Finance Cost, net				<u>(675)</u>
Profit Before Tax				<u><u>5,330</u></u>
Assets				
Segment assets	176,333	28,945		205,278
Unallocated assets				<u>112</u>
				<u><u>205,390</u></u>
Liabilities				
Segment liabilities	104,853	19,470		124,323
Unallocated liabilities				<u>147</u>
				<u><u>124,470</u></u>
Other information				
Capital expenditure	1	-		1
Depreciation	417	78		495
Amortisation	693	-		693

Segmental Reporting (continued)

Palm Oil Products

The palm oil products segment remained the Group's main source of revenue, which contributed 96.7% of the revenue of the Group in the current quarter.

Sales volume for crude palm kernel oil registered an increase of 24.9% while palm kernel expeller decreased by 54.7% in the current quarter as compared with preceding year corresponding quarter.

For the quarter under review, revenue for this segment increased to RM79.5 million from RM48.7 million in the preceding year corresponding quarter. The increase was mainly attributed to the increase in both sales volume and selling price for crude palm kernel oil.

The operating profit for the current quarter increased to RM5.6 million from RM3.7 million in the preceding year corresponding quarter. The increase was mainly attributed to the increase in operating margin for crude palm kernel oil.

Cocoa Products

The cocoa products contributed 3.3% to the revenue of the Group is insignificant. However, this segment recorded positive operating margin in 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 30 April 2014.

12. Discontinued operation

There was no discontinued operation during the quarter ended 30 April 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:

	3 months ended 30 April 2014 RM'000
Sale of crude palm kernel oil	63,174
Purchase of palm kernel	26,800
Sale of fresh fruit bunches	2,726
Purchase of fertilizers, chemicals, etc.	475
Sale of cocoa powder	212
Rental on factory building and infrastructures	580
Sale of chocolate products	359

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 53.4% from RM53.6 million to RM82.2 million as compared with preceding year corresponding quarter. The increase was mainly attributed to the increase in both sales volume and selling price for crude palm kernel oil.

18. Comment On Material Changes In Profit Before Taxation

The Group registered a profit before taxation of RM5.3 million as compared with RM1.8 million in the immediate preceding quarter. The increase was mainly attributed to the increase in operating margin for palm oil products in the current quarter.

19. Current Year Prospects

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

According to industry reports, the recent depressed in palm oil products prices is primarily due to sluggish demand both from China and India which is seen to be temporary and prices are expected to recover in the near future. The current monsoon-driven dryness which may be exacerbated by the arrival of El Nino later in the year could cause serious impact on oil palm production and prices.

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

For the remaining period of this 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 30.04.2014 RM'000	Year-to-date 30.04.2014 RM'000
Interest Income	(47)	(47)
Interest Expenses	675	675
Rental Income	(43)	(43)
Depreciation and amortisation	1,188	1,188
Net foreign exchange loss	457	457
Rental of premises	12	12
Rental of equipment	18	18
Rental of land and factory	549	549

22. Taxation

	Current Quarter 30/04/2014 RM'000	Year-To- Date 30/04/2014 RM'000
Taxation for the current period	581	581
Deferred taxation for the current period	978	978
	<u>1,559</u>	<u>1,559</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	40,338
Long term borrowings - secured	14,477
	<u>54,815</u>

27. Derivatives

	Current Quarter 30/04/2014		Year-To- Date 31/01/2014	
	Contract/ notional amount RM	Liability RM	Contract/ notional amount RM	Liability RM
Non-hedging derivatives				
Forward currency contracts	-	-	7,019,013	(95,646)

The Group uses forward currency contracts to manage some of the transaction exposures. These contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with currency transactions exposure and fair value changes exposure. Such derivative does not qualify for hedge accounting.

Forward currency contracts are used to hedge the Group's sales denominated in USD.

28. 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:-

28. Financial Instruments (continued)

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	-	34,873	34,873
Cash and bank balances	2	38,675	38,677
Borrowings	-	(23,620)	(23,620)
Total	2	49,928	49,930

29. Material Litigation

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

30. Dividends

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

31. Earnings Per Share

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

	Current Year Quarter 30/04/2014	Preceding Year Corresponding Quarter 30/04/2013	Current Year To Date 30/04/2014	Preceding Year Corresponding Period 30/04/2013
Profit for the period (RM'000)	3,771	2,152	3,771	2,152
Weighted average number of ordinary shares in issue ('000)	40,097	40,097	40,097	40,097
Basic earnings per share (Sen)	<u>9.40</u>	<u>5.37</u>	<u>9.40</u>	<u>5.37</u>

Basic earnings per ordinary share is calculated by dividing the profit 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.

32. Disclosure of realised and unrealised profits and losses

Realised and unrealised accumulated profits/ (losses) of the Group is analysed as follows:

	As at 30.04.2014 RM'000	As at 31.01.2014 RM'000
Total accumulated profits/ (losses) of TGPB and its subsidiaries		
- Realised	9,762	5,928
- Unrealised	(18,152)	(17,759)
	(8,390)	(11,831)
Less: Consolidation adjustments	(4,666)	(5,463)
Total group accumulated losses as per consolidated accounts	(13,056)	(17,294)

By Order of the Boar

Chan Kin Dak @ Tan Kin Dak
Company Secretary
27 June 2014