



# **TECK GUAN PERDANA BERHAD**

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

**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE THIRD QUARTER ENDED  
31 OCTOBER 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 31/10/2014 RM'000	Preceding Year Corresponding Quarter 31/10/2013 RM'000	Current Year To date 31/10/2014 RM'000	Preceding Year Corresponding Period 31/10/2013 RM'000
Revenue	63,838	45,876	191,757	139,991
Cost of sales	(65,577)	(39,798)	(181,653)	(121,940)
Gross (loss)/ profit	(1,739)	6,078	10,104	18,051
Other income	903	1,587	478	2,277
Selling & distribution costs	(1,954)	(2,218)	(5,056)	(6,782)
Administrative expenses	(2,040)	(1,850)	(5,835)	(5,389)
Interest income	93	41	224	459
Finance cost	(987)	(427)	(2,622)	(1,776)
(Loss)/ Profit before taxation	(5,724)	3,211	(2,707)	6,840
Income tax	567	(1,389)	(544)	(1,604)
(Loss)/ Profit for the period	(5,157)	1,822	(3,251)	5,236
<b>Other comprehensive income</b>				
Assets revaluation reserve realised upon depreciation charged	-	467	-	1,402
Total comprehensive (loss)/ income for the period	(5,157)	2,289	(3,251)	6,638

# 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 31/10/2014 RM'000	Preceding Year Corresponding Quarter 31/10/2013 RM'000	Current Year To date 31/10/2014 RM'000	Preceding Year Corresponding Period 31/10/2013 RM'000
(Loss)/ Profit attributable to: Equity holders of the company	(5,157)	1,822	(3,251)	5,236
Total comprehensive (loss)/ income attributable to: Equity holders of the company	(5,157)	2,289	(3,251)	6,638
<b>(Loss)/ Earnings per Share Attributable to Equity Holders:</b>				
Basic, for the period (Sen)	(12.86)	4.54	(8.11)	13.06
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 31/10/2014 RM'000	As At Preceding Financial Year End 31/01/2014 RM'000
<b><u>ASSETS</u></b>		
<b>Non-current assets</b>		
Property, plant & equipment	60,609	61,072
Biological assets	40,143	42,144
Deferred tax assets	5	5
	<hr/> 100,757	<hr/> 103,221
<b>Current assets</b>		
Inventories	23,259	30,191
Trade and other receivables	23,450	4,507
Cash and bank balances	33,459	14,738
	<hr/> 80,168	<hr/> 49,436
<b>TOTAL ASSETS</b>	<hr/> <b>180,925</b>	<hr/> <b>152,657</b>
<b><u>EQUITY &amp; LIABILITIES</u></b>		
<b>Equity</b>		
Share capital	40,097	40,097
Share premium	7	7
Reserves	52,957	54,339
Accumulated losses	(19,163)	(17,294)
<b>Total Equity</b>	<hr/> 73,898	<hr/> 77,149
<b>Non-current liability</b>		
Term loan	9,977	17,179
Deferred tax liabilities	16,968	17,764
	<hr/> 26,945	<hr/> 34,943
<b>Current liabilities</b>		
Borrowings	9,209	17,990
Trade and other payables	69,393	22,063
Derivative	926	96
Provision for taxation	554	416
	<hr/> 80,082	<hr/> 40,565
<b>Total liabilities</b>	<hr/> 107,027	<hr/> 75,508
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<hr/> <b>180,925</b>	<hr/> <b>152,657</b>
<b>NET ASSETS PER SHARE (SEN)</b>	184.30	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.*

# TECK GUAN PERDANA BERHAD

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

## 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	
<b>At 1 February 2013</b>	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	-
<b>At 31 January 2014</b>	40,097	7	54,339	(17,294)	77,149
Total comprehensive loss for the period	-	-	-	(3,251)	(3,251)
Assets revaluation reserve realised upon depreciation charged	-	-	(1,382)	1,382	-
<b>At 31 October 2014</b>	40,097	7	52,957	(19,163)	73,898

*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

(Company No. 307097-A)

(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	<b>Current Year To date 31/10/2014 RM'000</b>	<b>Preceding Year Corresponding Period 31/10/2013 RM'000</b>
<b>Operating activities</b>		
(Loss)/ Profit before taxation	(2,707)	6,840
<u>Adjustments for:</u>		
Depreciation of property, plant and equipment	1,464	1,561
Amortisation of biological assets	2,044	2,037
Gain on disposal of property, plant and equipment	-	(8)
Interest income	(224)	(459)
Interest expense	2,622	1,776
Total adjustments	<u>5,906</u>	<u>4,907</u>
<b>Operating cash flows before changes in working capital</b>	3,199	11,747
Decrease in inventories	6,932	7,931
Increase in trade and other receivables	(18,943)	(21,327)
Increase/ (Decrease) in trade and other payables	48,160	(1,693)
Total changes in working capital	<u>36,149</u>	<u>(15,089)</u>
Cash flows generated from/ (used in) operations	39,348	(3,342)
Interest paid	(2,622)	(1,776)
Income tax paid	(1,204)	(1,172)
Income tax refunded	-	197
Interest received	224	459
<b>Net cash flows generated from/ (used in) operating activities</b>	<u>35,746</u>	<u>(5,634)</u>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(1,044)	(956)
Proceeds from disposal of property, plant and equipment	-	9
<b>Net cash flows used in investing activities</b>	<u>(1,044)</u>	<u>(947)</u>

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)**

	<b>Current Year To date 31/10/2014 RM'000</b>	<b>Preceding Year Corresponding Period 31/10/2013 RM'000</b>
<b>Financing Activities</b>		
Repayment of bankers' acceptances	(7,600)	(13,297)
Repayment of term loan	(8,271)	(7,259)
<b>Net cash flows used in financing activities</b>	<u>(15,871)</u>	<u>(20,556)</u>
<b>Net increase/ (decrease) in cash &amp; cash equivalents</b>	18,831	(27,137)
<b>Cash &amp; cash equivalents at beginning of the period</b>	14,628	29,328
<b>Cash &amp; cash equivalents at end of the period</b>	<u>33,459</u>	<u>2,191</u>
	As At 31/10/2014 RM'000	As At 31/10/2013 RM'000
*Cash & cash equivalents at end of the period consists of:		
Cash and Bank Balances	<u>33,459</u>	<u>2,191</u>
	<u>33,459</u>	<u>2,191</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 2014 and the accompanying explanatory notes attached to the interim financial statements.*

# TECK GUAN PERDANA BERHAD

(Company No. 307097-A)  
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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 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. 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 of 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 2014 is set out below:

	<b>Palm Oil 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	186,088	5,669	-	191,757
Inter-segments sales	-	33	(33)	-
Total revenue	<u>186,088</u>	<u>5,702</u>	<u>(33)</u>	<u>191,757</u>
<b>Results</b>				
Segment results	(511)	1,393		882
Unallocated corporate expenses				(967)
Finance Cost, net				<u>(2,622)</u>
Profit Before Tax				<u><u>(2,707)</u></u>
<b>Assets</b>				
Segment assets	153,619	27,212		180,831
Unallocated assets				94
				<u>180,925</u>
<b>Liabilities</b>				
Segment liabilities	87,903	18,075		105,978
Unallocated liabilities				1,049
				<u>107,027</u>
<b>Other information</b>				
Capital expenditure	1,044	-		1,044
Depreciation	1,232	232		1,464
Amortisation	2,044	-		2,044

## **Segmental Reporting (continued)**

### **Palm Oil Products**

The palm oil products segment remained the Group's main source of revenue, which contributed 97.07% of the revenue of the Group in the current quarter.

For the quarter under review, revenue for this segment increased to RM61.97 million from RM44.77 million in the preceding year corresponding quarter. The increase was mainly attributed to the increase in both sales volume and selling price.

The palm oil products segment turned in an operating loss of RM5.16 million in the current quarter compared to a profit of RM1.88 million in the preceding year corresponding quarter. The decrease was mainly attributed to the decrease in operating margin.

### **Cocoa Products**

The cocoa products contributed 2.93% 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 31 October 2014.

## **12. Discontinued operation**

There was no discontinued operation during the quarter ended 31 October 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:

	9 months ended 31 October 2014 RM'000
Sale of crude palm kernel oil	97,085
Purchase of palm kernel	64,934
Sale of fresh fruit bunches	6,938
Purchase of fertilizers, chemicals, etc.	1,708
Sale of cocoa powder	531
Rental on factory building and infrastructures	1,682
Sale of chocolate products	815

## 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 39.2% from RM45.88 million to RM63.84 million as compared with preceding year corresponding quarter. The increase was mainly attributed to the increase in both sales volume and selling price.

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

The Group registered a loss before taxation of RM5.16 million as compared with a loss of RM1.86 million in the immediate preceding quarter. The decrease was mainly attributed to the decrease in operating margin in the current quarter.

## 19. Current Year Prospects

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 31.10.2014 RM'000	Year-to-date 31.10.2014 RM'000
Interest Income	(93)	(224)
Interest Expenses	987	2,622
Rental Income	(42)	(128)
Depreciation and amortisation	1,227	3,508
Net foreign exchange (profit)/ loss	(277)	1,018
Rental of premises	12	35
Rental of equipment	18	54
Rental of land and factory	549	1,647

## 22. Taxation

	Current Quarter 31/10/2014 RM'000	Year-To- Date 31/10/2014 RM'000
Taxation for the current period	331	1,341
Deferred taxation for the current period	(898)	(797)
	<u>(567)</u>	<u>544</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	9,209
Long term borrowings - secured	9,977
	<u>19,186</u>

## 27. Derivatives

	<b>As At End Of Current Quarter 31/10/2014</b>		<b>As At Preceding Financial Year End 31/01/2014</b>	
	<b>Contract/ notional amount RM</b>	<b>Liability  RM</b>	<b>Contract/ notional amount RM</b>	<b>Liability  RM</b>
<b>Non-hedging derivatives</b>				
Forward currency contracts	9,848,000	(925,648)	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	-	21,457	21,457
Cash and bank balances	2	23,787	23,789
Borrowings	-	(19,188)	(19,188)
Total	2	26,056	26,058

## 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 31/10/2014	Preceding Year Corresponding Quarter 31/10/2013	Current Year To Date 31/10/2014	Preceding Year Corresponding Period 31/10/2013
(Loss)/ Profit for the period (RM'000)	(5,157)	1,822	(3,251)	5,236
Weighted average number of ordinary shares in issue ('000)	40,097	40,097	40,097	40,097
Basic (loss)/ earnings per share (Sen)	<u>(12.86)</u>	<u>4.54</u>	<u>(8.11)</u>	<u>13.06</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:

	<b>As at 31.10.2014 RM'000</b>	<b>As at 31.01.2014 RM'000</b>
Total accumulated profits/ (losses) of TGPB and its subsidiaries		
- Realised	5,547	5,928
- Unrealised	(17,554)	(17,759)
	(12,007)	(11,831)
Less: Consolidation adjustments	(7,156)	(5,463)
Total group accumulated losses as per consolidated accounts	(19,163)	(17,294)

#### By Order of the Board

Chan Kin Dak @ Tan Kin Dak  
Company Secretary  
18 December 2014