



TECK GUAN PERDANA BERHAD

(COMPANY NO: 307097 - A)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 31 JULY 2015

TECK GUAN PERDANA BERHAD

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

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31/07/2015 RM'000	Preceding Year Corresponding Quarter 31/07/2014 RM'000	Current Year To date 31/07/2015 RM'000	Preceding Year Corresponding Period 31/07/2014 RM'000
Revenue	66,090	45,694	120,295	127,919
Cost of sales	(57,713)	(43,959)	(103,536)	(116,077)
Gross profit	8,377	1,735	16,759	11,842
Other expenses	(317)	(412)	(177)	(425)
Selling & distribution costs	(2,344)	(886)	(4,579)	(3,102)
Administrative expenses	(1,632)	(1,874)	(3,534)	(3,795)
Interest income	341	85	438	132
Finance cost	(164)	(960)	(572)	(1,635)
Profit/ (Loss) before taxation	4,261	(2,312)	8,335	3,017
Income tax	(1,675)	448	(2,907)	(1,111)
Total comprehensive income/ (loss) for the period	2,586	(1,864)	5,428	1,906
Total comprehensive income/ (loss) attributable to: Equity holders of the company	2,586	(1,864)	5,428	1,906
Earnings/ (loss) per Share Attributable to Equity Holders:				
Basic, for the period (Sen)	6.45	(4.65)	13.54	4.75
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 2015 and the accompanying explanatory notes attached to the interim financial statements.

TECK GUAN PERDANA BERHAD

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

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As At End Of Current Quarter 31/07/2015 RM'000	As At Preceding Financial Year End 31/01/2015 RM'000
<u>ASSETS</u>		
Non-current assets		
Property, plant & equipment	59,252	60,154
Biological assets	37,972	39,427
Deferred tax assets	5	5
	<hr/> 97,229	<hr/> 99,586
Current assets		
Inventories	13,301	20,604
Trade and other receivables	27,913	28,342
Cash and bank balances	28,776	27,480
	<hr/> 69,990	<hr/> 76,426
TOTAL ASSETS	<hr/> 167,219	<hr/> 176,012
<u>EQUITY & LIABILITIES</u>		
Equity		
Share capital	40,097	40,097
Share premium	7	7
Reserves	51,285	52,286
Accumulated losses	(10,867)	(17,296)
Total Equity	<hr/> 80,522	<hr/> 75,094
Non-current liability		
Term loan	3,570	8,466
Deferred tax liabilities	17,726	17,463
	<hr/> 21,296	<hr/> 25,929
Current liabilities		
Borrowings	28,799	32,863
Trade and other payables	33,597	40,847
Derivatives	278	702
Provision for taxation	2,727	577
	<hr/> 65,401	<hr/> 74,989
Total liabilities	<hr/> 86,697	<hr/> 100,918
TOTAL EQUITY & LIABILITIES	<hr/> 167,219	<hr/> 176,012
NET ASSETS PER SHARE (SEN)	200.82	187.28

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 2015 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 Losses RM'000	
At 1 February 2014	40,097	7	54,339	(17,294)	77,149
Total comprehensive loss for the year	-	-	-	(2,055)	(2,055)
Assets revaluation reserve realised upon depreciation charged	-	-	(2,053)	2,053	-
At 31 January 2015	40,097	7	52,286	(17,296)	75,094
Total comprehensive income for the period	-	-	-	5,428	5,428
Assets revaluation reserve realised upon depreciation charged	-	-	(1,001)	1,001	-
At 31 July 2015	40,097	7	51,285	(10,867)	80,522

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 2015 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

	Current Year To Date 31/07/2015 RM'000	Preceding Year Corresponding Period 31/07/2014 RM'000
Operating activities		
Profit before taxation	8,335	3,017
<u>Adjustments for:</u>		
Depreciation of property, plant and equipment	980	980
Amortisation of biological assets	1,484	1,301
Gain on disposal of property, plant and equipment	(461)	-
Interest income	(438)	(132)
Interest expense	572	1,635
Net fair value gain on derivatives	(424)	(87)
Total adjustments	<u>1,713</u>	<u>3,697</u>
Operating cash flows before changes in working capital	10,048	6,714
Decrease/ (Increase) in inventories	7,303	(6,386)
Decrease in trade and other receivables	429	2,458
(Decrease)/ Increase in trade and other payables	(7,250)	54,161
Total changes in working capital	<u>482</u>	<u>50,233</u>
Cash flows generated from operations	10,530	56,947
Interest paid	(572)	(1,635)
Income tax paid	(495)	(923)
Interest received	438	132
Net cash flows generated from operating activities	<u>9,901</u>	<u>54,521</u>
Investing activities		
Purchase of property, plant and equipment	(201)	(18)
Proceeds from disposal of property, plant and equipment	555	-
Net cash flows generated from/ (used in) investing activities	<u>354</u>	<u>(18)</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

	Current Year To Date 31/07/2015 RM'000	Preceding Year Corresponding Period 31/07/2014 RM'000
Financing Activities		
Repayment of bankers' acceptances	(4,667)	-
Proceeds from bankers' acceptances	-	4,751
Repayment of term loan	(4,345)	(6,448)
Net cash flows used in financing activities	<u>(9,012)</u>	<u>(1,697)</u>
Net increase in cash & cash equivalents	1,243	52,806
Cash & cash equivalents at beginning of the period	27,480	14,628
Cash & cash equivalents at end of the period	<u>28,723</u>	<u>67,434</u>
	As At 31/07/2015 RM'000	As At 31/07/2014 RM'000
*Cash & cash equivalents at end of the period consists of:		
Cash and Bank Balances	28,776	67,789
Bank Overdrafts	(53)	(355)
	<u>28,723</u>	<u>67,434</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 2015 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 2015. 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 2015.

2. Accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 January 2015 except for the following Financial Reporting Standards (FRSs), Amendments to FRSs and Interpretations which take effect from 1 January 2015:

Amendments To MFRS 119: Defined Benefit Plans: Employee Contributions (effective from 1 July 2014)

Annual Improvements to MFRS 2010 -2012 Cycle (effective from 1 July 2014)

Annual Improvements to MFRS 2011 -2013 Cycle (effective from 1 July 2014)

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').

The Group falls within the scope definition of Transitioning Entities and accordingly, will adopt the MFRS Framework for the financial year ending 31 January 2018. 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. Adjustments required on transition, if any, will be made retrospectively against opening retained earnings.

Accordingly, the consolidated financial performance and financial position as disclosed in these financial statements for the period ended 31 July 2015 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 July 2015 is set out below:

	Palm Oil Products RM'000	Cocoa Products RM'000	Elimination RM'000	Consolidated RM'000
Revenue				
External sales	117,090	3,205	-	120,295
Inter-segments sales	-	33	(33)	-
Total revenue	117,090	3,238	(33)	120,295
Results				
Segment results	9,128	398		9,526
Unallocated corporate expenses				(619)
Finance Cost, net				(572)
Profit Before Tax				8,335
Assets				
Segment assets	140,351	26,576		166,927
Unallocated assets				292
				167,219
Liabilities				
Segment liabilities	77,380	1,113		78,493
Unallocated liabilities				8,204
				86,697
Other information				
Capital expenditure	181	20		201
Depreciation	828	152		980
Amortisation	1,484	-		1,484

Palm Oil Products

The palm oil products segment remained the Group's main source of revenue, which contributed 98.59% of the revenue of the Group in the current quarter.

For the quarter under review, revenue for this segment increased to RM65.16 million from RM44.61 million in the preceding year corresponding quarter. The increase was mainly attributed to the increase in sales volume.

The palm oil products segment turned in an operating profit of RM4.81 million in the current quarter compared to a loss of RM0.99 million in the preceding year corresponding quarter. The increase was mainly attributed to the increase in operating margin and also a favourable currency exchange rate of Ringgit Malaysia versus United States Dollar.

9. Segmental reporting (continued)

Cocoa Products

Cocoa products' contribution of 1.41% to the revenue of the Group is insignificant.

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 July 2015.

12. Discontinued operation

There was no discontinued operation during the quarter ended 31 July 2015.

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:

	6 months ended 31 July 2015 RM'000
Sale of crude palm kernel oil	82,616
Purchase of palm kernel	37,519
Sale of fresh fruit bunches	3,973
Purchase of fertilizers, chemicals, etc.	1,045
Sale of cocoa powder	325
Rental on factory building and infrastructures	1,120
Sale of chocolate products	734

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 44.65% from RM45.69 million to RM66.09 million as compared with preceding year corresponding quarter. The increase was mainly attributed to the increase in sales volume.

18. Comment On Material Changes In Profit Before Taxation

The Group registered a profit before taxation of RM4.26 million as compared with RM4.07 million in the immediate preceding quarter. The increase was mainly attributed to the favourable currency exchange rate of Ringgit Malaysia versus United States Dollar.

19. Current Year Prospects

While the Group is closely monitoring the global market on palm oil products, the management remains cautiously positive in the operation of the Group for the remaining period of this financial year.

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 31.07.2015 RM'000	Year-to-date 31.07.2015 RM'000
Interest Income	(341)	(438)
Interest Expenses	164	572
Rental Income	(43)	(86)
Depreciation and amortisation	1,230	2,464
Net foreign exchange (gain)/ loss	(49)	654
Net fair value loss/ (gain) on derivatives	577	(424)
Rental of premises	12	23
Rental of equipment	18	35
Rental of land and factory	549	1,097

22. Taxation

	Current Quarter 31/07/2015 RM'000	Year-To- Date 31/07/2015 RM'000
Taxation for the current period	1,715	2,644
Deferred taxation for the current period	(40)	263
	<u>1,675</u>	<u>2,907</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	28,799
Long term borrowings - secured	3,570
	<u>32,369</u>

27. Derivatives

	As At End Of Current Quarter 31/07/2015		As At Preceding Financial Year End 31/01/2015	
	Contract/ notional amount RM	Liability RM	Contract/ notional amount RM	Liability RM
Non-hedging derivatives				
Forward currency contracts	9,780,175	(278,260)	7,279,400	(702,200)

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:-

Functional currency of the Group	Un-hedged financial assets/(liabilities) held in non-functional currencies			
	United States Dollar	Great Britain Pound	Renminbi	Total
	RM'000	RM'000	RM'000	RM'000
Trade and other receivables	24,665	-	189	24,854
Cash and bank balances	12,097	3	-	12,100
Borrowings	(14,278)	-	-	(14,278)
Total	22,484	3	189	22,676

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 31/07/2015	Preceding Year Corresponding Quarter 31/07/2014	Current Year To Date 31/07/2015	Preceding Year Corresponding Period 31/07/2014
Profit/ (loss) for the period (RM'000)	2,586	(1,864)	5,428	1,906
Weighted average number of ordinary shares in issue ('000)	40,097	40,097	40,097	40,097
Basic earnings/ (loss) per share (Sen)	<u>6.45</u>	<u>(4.65)</u>	<u>13.54</u>	<u>4.75</u>

31. Earnings Per Share (continued)

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 or losses

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

	As at 31.07.2015 RM'000	As at 31.01.2015 RM'000
Total accumulated profits/ (losses) of TGPB and its subsidiaries		
- Realised	13,329	5,625
- Unrealised	(18,733)	(17,458)
	(5,404)	(11,833)
Less: Consolidation adjustments	(5,463)	(5,463)
Total group accumulated losses as per consolidated accounts	(10,867)	(17,296)

By Order of the Board

Chan Kin Dak @ Tan Kin Dak
Company Secretary
25 September 2015