



TECK GUAN PERDANA BERHAD

(COMPANY NO: 307097 - A)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 OCTOBER 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 31/10/2015 RM'000	Preceding Year Corresponding Quarter 31/10/2014 RM'000	Current Year To date 31/10/2015 RM'000	Preceding Year Corresponding Period 31/10/2014 RM'000
Revenue	48,488	63,838	168,783	191,757
Cost of sales	(41,020)	(65,577)	(144,556)	(181,653)
Gross profit/ (loss)	7,468	(1,739)	24,227	10,104
Other (expenses)/ income	(890)	903	(1,066)	478
Selling & distribution costs	(1,641)	(1,954)	(6,219)	(5,056)
Administrative expenses	(2,235)	(2,040)	(5,769)	(5,835)
Interest income	73	93	512	224
Finance cost	(242)	(987)	(815)	(2,622)
Profit/ (Loss) before taxation	2,533	(5,724)	10,870	(2,707)
Income tax	(293)	567	(3,200)	(544)
Total comprehensive income/ (loss) for the period	2,240	(5,157)	7,670	(3,251)
Total comprehensive income/ (loss) attributable to: Equity holders of the company	2,240	(5,157)	7,670	(3,251)
Earnings/ (loss) per Share Attributable to Equity Holders:				
Basic, for the period (Sen)	5.59	(12.86)	19.13	(8.11)
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 31/10/2015 RM'000	As At Preceding Financial Year End 31/01/2015 RM'000
<u>ASSETS</u>		
Non-current assets		
Property, plant & equipment	58,764	60,154
Biological assets	37,244	39,427
Deferred tax assets	5	5
	<hr/> 96,013	<hr/> 99,586
Current assets		
Inventories	23,906	20,604
Trade and other receivables	9,029	28,342
Cash and bank balances	31,709	27,480
	<hr/> 64,644	<hr/> 76,426
TOTAL ASSETS	<hr/> 160,657	<hr/> 176,012
<u>EQUITY & LIABILITIES</u>		
Equity		
Share capital	40,097	40,097
Share premium	7	7
Reserves	50,784	52,286
Accumulated losses	(8,124)	(17,296)
Total Equity	<hr/> 82,764	<hr/> 75,094
Non-current liability		
Term loan	1,002	8,466
Deferred tax liabilities	16,863	17,463
	<hr/> 17,865	<hr/> 25,929
Current liabilities		
Borrowings	37,152	32,863
Trade and other payables	20,247	40,847
Derivatives	-	702
Provision for taxation	2,629	577
	<hr/> 60,028	<hr/> 74,989
Total liabilities	<hr/> 77,893	<hr/> 100,918
TOTAL EQUITY & LIABILITIES	<hr/> 160,657	<hr/> 176,012
NET ASSETS PER SHARE (SEN)	206.41	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	
Opening balance at 1 February 2015	40,097	7	52,286	(17,296)	75,094
Total comprehensive income for the period	-	-	-	7,670	7,670
Assets revaluation reserve realised upon depreciation charged	-	-	(1,502)	1,502	-
Closing balance at 31 October 2015	40,097	7	50,784	(8,124)	82,764
Opening balance 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	-
Closing balance at 31 January 2015	40,097	7	52,286	(17,296)	75,094

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

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current Year To Date 31/10/2015 RM'000	Preceding Year Corresponding Period 31/10/2014 RM'000
Operating activities		
Profit/ (loss) before taxation	10,870	(2,707)
<u>Adjustments for:</u>		
Depreciation of property, plant and equipment	1,454	1,464
Amortisation of biological assets	2,226	2,044
Gain on disposal of property, plant and equipment	(461)	-
Interest income	(512)	(224)
Interest expense	815	2,622
Net fair value (gain)/ loss on derivatives	(702)	830
Total adjustments	<u>2,820</u>	<u>6,736</u>
Operating cash flows before changes in working capital	13,690	4,029
(Increase)/ decrease in inventories	(3,302)	6,932
Decrease/ (increase) in trade and other receivables	19,313	(18,943)
(Decrease)/ Increase in trade and other payables	(20,600)	47,330
Total changes in working capital	<u>(4,589)</u>	<u>35,319</u>
Cash flows generated from operations	9,101	39,348
Interest paid	(815)	(2,622)
Interest received	512	224
Income tax paid	(1,749)	(1,204)
Net cash flows generated from operating activities	<u>7,049</u>	<u>35,746</u>
Investing activities		
Purchase of property, plant and equipment	(201)	(1,044)
Proceeds from disposal of property, plant and equipment	555	-
Net cash flows generated from/ (used in) investing activities	<u>354</u>	<u>(1,044)</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

	Current Year To Date 31/10/2015 RM'000	Preceding Year Corresponding Period 31/10/2014 RM'000
Financing Activities		
Drawdown of letter of credits	27,879	-
Repayment of letter of credits	(38,417)	-
Proceeds from bankers' acceptances	37,931	-
Repayment of bankers' acceptances	(25,493)	(7,600)
Repayment of term loan	(5,592)	(8,271)
Net cash flows used in financing activities	<u>(3,692)</u>	<u>(15,871)</u>
Net increase in cash & cash equivalents	3,711	18,831
Cash & cash equivalents at beginning of the period	27,480	14,628
Cash & cash equivalents at end of the period	<u><u>31,191</u></u>	<u><u>33,459</u></u>
	As At 31/10/2015 RM'000	As At 31/10/2014 RM'000
*Cash & cash equivalents at end of the period consists of:		
Cash and Bank Balances	31,709	33,459
Bank Overdrafts	(518)	-
	<u>31,191</u>	<u>33,459</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 October 2015 is set out below:

	Palm Oil Products RM'000	Cocoa Products RM'000	Elimination RM'000	Consolidated RM'000
Revenue				
External sales	162,688	6,095	-	168,783
Inter-segments sales	-	36	(36)	-
Total revenue	162,688	6,131	(36)	168,783
Results				
Segment results	11,851	737		12,588
Unallocated corporate expenses				(903)
Finance Cost, net				(815)
Profit Before Tax				10,870
Assets				
Segment assets	132,515	25,779		158,294
Unallocated assets				2,363
				160,657
Liabilities				
Segment liabilities	75,464	486		75,950
Unallocated liabilities				1,943
				77,893
Other information				
Capital expenditure	181	20		201
Depreciation	1,231	223		1,454
Amortisation	2,226	-		2,226

Palm Oil Products

The palm oil products segment remained the Group's main source of revenue, which contributed 94.04% of the revenue of the Group in the current quarter.

For the quarter under review, revenue for this segment decreased to RM45.60 million from RM61.97 million in the preceding year corresponding quarter. The decrease was mainly attributed to the decrease in sales volume.

The palm oil products segment turned in an operating profit of RM2.72 million in the current quarter compared to a loss of RM5.16 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 5.96% 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 October 2015.

12. Discontinued operation

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

	9 months ended 31 October 2015 RM'000
Sale of crude palm kernel oil	108,261
Purchase of palm kernel	53,119
Sale of fresh fruit bunches	5,887
Purchase of fertilizers, chemicals, etc.	1,228
Sale of cocoa powder	364
Rental on factory building and infrastructures	1,679
Sale of chocolate products	1,143

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 decreased by 24.04% from RM63.84 million to RM48.49 million as compared with preceding year corresponding quarter. The decrease was mainly attributed to the decrease in sales volume.

18. Comment On Material Changes In Profit Before Taxation

The Group registered a profit before taxation of RM2.53 million as compared with RM4.26 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

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 31.10.2015 RM'000	Year-to-date 31.10.2015 RM'000
Interest Income	(73)	(512)
Interest Expenses	242	815
Rental Income	(42)	(128)
Depreciation and amortisation	1,216	3,680
Net foreign exchange loss	1,556	2,210
Net fair value gain on derivatives	(278)	-
Rental of premises	11	34
Rental of equipment	17	52
Rental of land and factory	548	1,645

22. Taxation

	Current Quarter 31/10/2015 RM'000	Year-To- Date 31/10/2015 RM'000
Taxation for the current period	1,156	3,800
Deferred taxation for the current period	(863)	(600)
	<u>293</u>	<u>3,200</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	37,152
Long term borrowings - secured	1,002
	<u>38,154</u>

27. Derivatives

	As At End Of Current Quarter 31/10/2015		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	-	-	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	5,374	-	105	5,479
Cash and bank balances	9,856	3	-	9,859
Borrowings	(13,031)	-	-	(13,031)
Total	2,199	3	105	2,307

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 31/10/2015	Preceding Year Corresponding Quarter 31/10/2014	Current Year To Date 31/10/2015	Preceding Year Corresponding Period 31/10/2014
Profit/ (loss) for the period (RM'000)	2,240	(5,157)	7,670	(3,251)
Weighted average number of ordinary shares in issue ('000)	40,097	40,097	40,097	40,097
Basic earnings/ (loss) per share (Sen)	<u>5.59</u>	<u>(12.86)</u>	<u>19.13</u>	<u>(8.11)</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 31.10.2015 RM'000	As at 31.01.2015 RM'000
Total accumulated profits/ (losses) of TGPB and its subsidiaries		
- Realised	16,223	5,625
- Unrealised	(18,884)	(17,458)
	(2,661)	(11,833)
Less: Consolidation adjustments	(5,463)	(5,463)
Total group accumulated losses as per consolidated accounts	(8,124)	(17,296)

By Order of the Board

Chan Kin Dak @ Tan Kin Dak
Company Secretary
21 December 2015