



# **TECK GUAN PERDANA BERHAD**

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

## **UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 31 JULY 2016**

# 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 31/07/2016 RM'000	Preceding Year Corresponding Quarter 31/07/2015 RM'000	Current Year To date 31/07/2016 RM'000	Preceding Year Corresponding Period 31/07/2015 RM'000
Revenue	96,045	66,090	196,615	120,295
Cost of sales	(84,701)	(57,713)	(178,291)	(103,536)
Gross profit	11,344	8,377	18,324	16,759
Other income/ (expenses)	1,603	(317)	1,929	(177)
Selling and distribution costs	(2,077)	(2,344)	(5,181)	(4,579)
Administrative expenses	(2,243)	(1,632)	(4,473)	(3,534)
Interest income	28	341	95	438
Finance cost	(485)	(164)	(921)	(572)
Profit before tax	8,170	4,261	9,773	8,335
Income tax expense	(1,840)	(1,675)	(2,110)	(2,907)
Profit net of tax	6,330	2,586	7,663	5,428
<b>Other comprehensive income, net of tax</b>	-	-	-	-
<b>Total comprehensive income for the period/ year</b>	6,330	2,586	7,663	5,428

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## CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31/07/2016 RM'000	Preceding Year Corresponding Quarter 31/07/2015 RM'000	Current Year To date 31/07/2016 RM'000	Preceding Year Corresponding Period 31/07/2016 RM'000
<b>Profit attributable to:</b>				
Equity holders of the company	6,330	2,586	7,663	5,428
<b>Total comprehensive income attributable to:</b>				
Equity holders of the company	6,330	2,586	7,663	5,428
<b>Earnings per Share Attributable to Equity Holders:</b>				
Basic, for the period (Sen)	15.79	6.45	19.11	13.54
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 2016 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 31/07/2016 RM'000	As At Preceding Financial Year End 31/01/2016 RM'000
<b><u>ASSETS</u></b>		
<b>Non-current assets</b>		
Property, plant & equipment	55,074	55,981
Biological assets	46,896	48,985
Deferred tax assets	5	5
	<hr/> 101,975	<hr/> 104,971
<b>Current assets</b>		
Inventories	13,456	38,002
Trade and other receivables	41,728	6,264
Cash and bank balances	42,137	19,279
	<hr/> 97,321	<hr/> 63,545
<b>TOTAL ASSETS</b>	<hr/> <b>199,296</b>	<hr/> <b>168,516</b>
<b><u>EQUITY AND LIABILITIES</u></b>		
<b>Current liabilities</b>		
Borrowings	62,785	46,184
Trade and other payables	16,110	10,441
Provision for taxation	3,580	2,167
	<hr/> 82,475	<hr/> 58,792
<b>NET CURRENT ASSETS</b>	<hr/> <b>14,846</b>	<hr/> <b>4,753</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	18,223	18,789
	<hr/> 18,223	<hr/> 18,789
<b>TOTAL LIABILITIES</b>	<hr/> <b>100,698</b>	<hr/> <b>77,581</b>
<b>NET ASSETS</b>	<hr/> <b>98,598</b>	<hr/> <b>90,935</b>
<b>Equity</b>		
Share capital	40,097	40,097
Share premium	7	7
Reserves	56,152	57,664
Retained earnings/ (accumulated losses)	2,342	(6,833)
<b>Total Equity</b>	<hr/> 98,598	<hr/> 90,935
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<hr/> <b>199,296</b>	<hr/> <b>168,516</b>
<b>NET ASSETS PER SHARE (SEN)</b>	<b>245.90</b>	<b>226.79</b>

*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 2016 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
	Share Capital RM'000	Share Premium RM'000	Asset Revaluation Reserves RM'000	Retained Earnings/ (Accumulated Losses) RM'000	
<b>Opening balance at 1 February 2016</b>	40,097	7	57,664	(6,833)	90,935
Total comprehensive income for the period	-	-	-	7,663	7,663
Assets revaluation reserve realised upon depreciation charged	-	-	(1,512)	1,512	-
<b>Closing balance at 31 July 2016</b>	40,097	7	56,152	2,342	98,598
<b>Opening balance at 1 February 2015</b>	40,097	7	52,286	(17,296)	75,094
Total comprehensive income for the year	-	-	7,533	8,308	15,841
Assets revaluation reserve realised upon depreciation charged	-	-	(2,155)	2,155	-
<b>Closing balance at 31 January 2016</b>	40,097	7	57,664	(6,833)	90,935

*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 2016 and the accompanying explanatory notes attached to the interim financial statements.*

# TECK GUAN PERDANA BERHAD

(Company No. 307097-A)

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## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	<b>Current Year To Date 31/07/2016 RM'000</b>	<b>Preceding Year Corresponding Period 31/07/2015 RM'000</b>
<b>Operating activities</b>		
Profit before taxation	9,773	8,335
<u>Adjustments for:</u>		
Depreciation of property, plant and equipment	899	980
Amortisation of biological assets	2,141	1,484
Gain on disposal of property, plant and equipment	-	(461)
Plant and equipment written off	2	-
Interest income	(95)	(438)
Interest expense	921	572
Net fair value gain on derivatives	-	(424)
Total adjustments	<u>3,868</u>	<u>1,713</u>
<b>Operating cash flows before changes in working capital</b>	13,641	10,048
Decrease in inventories	24,546	7,303
(Increase)/ decrease in trade and other receivables	(35,464)	429
Increase/ (decrease) in trade and other payables	5,669	(7,250)
Total changes in working capital	<u>(5,249)</u>	<u>482</u>
Cash flows generated from operations	8,392	10,530
Interest paid	(921)	(572)
Interest received	95	438
Income tax paid	(1,263)	(495)
<b>Net cash flows generated from operating activities</b>	<u>6,303</u>	<u>9,901</u>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(23)	(201)
Plantation development expenditure	(22)	-
Proceeds from disposal of property, plant and equipment	-	555
<b>Net cash flows (used in)/ generated from investing activities</b>	<u>(45)</u>	<u>354</u>

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

	<b>Current Year To Date 31/07/2016 RM'000</b>	<b>Preceding Year Corresponding Period 31/07/2015 RM'000</b>
<b>Financing Activities</b>		
Drawdown of letter of credits	24,075	-
Repayment of letter of credits	(20,784)	-
Proceeds from bankers' acceptances	77,927	-
Repayment of bankers' acceptances	(58,265)	(4,667)
Repayment of term loan	(5,892)	(4,345)
	<hr/>	<hr/>
<b>Net cash flows generated from/ (used in) financing activities</b>	17,061	(9,012)
	<hr/>	<hr/>
<b>Net increase in cash and cash equivalents</b>	23,319	1,243
<b>Cash and cash equivalents at beginning of the period</b>	18,625	27,480
	<hr/>	<hr/>
<b>Cash and cash equivalents at end of the period</b>	<u>41,944</u>	<u>28,723</u>
	<hr/>	<hr/>
	As At 31/07/2016 RM'000	As At 31/07/2015 RM'000
*Cash and cash equivalents at end of the period consists of:		
Cash and Bank Balances	42,137	28,776
Bank Overdrafts	(193)	(53)
	<hr/>	<hr/>
	<u>41,944</u>	<u>28,723</u>
	<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 2016 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 2016. 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 2016.

### 2. Accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 January 2016 except for the adoption of the following Financial Reporting Standards (FRSs), Amendments to FRSs and Interpretations which take effect from 1 January 2016:

Description	Effective for annual periods beginning on or after
Annual improvements to FRS 2012 – 2014 Cycle	1 January 2016
Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to FRS127: Equity Method in Separate Financial Statements	1 January 2016
Amendments to FRS 101: Disclosure initiatives	1 January 2016
Amendments to FRS 10, FRS12, and FRS 128: Investments Entities: Applying the Consolidation Exception	1 January 2016
FRS 14: Regulatory Deferral Accounts	1 January 2016

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



## **2. Accounting policies (continued)**

### **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 are allowed to defer adoption of the new MFRS Framework. On 8 September 2015, MASB announced that adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2018.

The Group falls within the scope definition of Transitioning Entities and accordingly, will adopt the MFRS Framework for the financial year ending 31 January 2019. 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 interim financial statements for the period ended 31 July 2016 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 2016 is set out below:

	<b>Palm Oil Products RM'000</b>	<b>Cocoa Products RM'000</b>	<b>Consolidated RM'000</b>
<b>Revenue</b>			
Revenue	191,817	4,806	196,615
<b>Results</b>			
Segment results	11,054	261	11,315
Unallocated corporate expenses			(621)
Finance Cost			(921)
Profit Before Tax			<u>9,773</u>
<b>Assets</b>			
Segment assets	170,070	28,935	199,005
Unallocated assets			291
			<u>199,296</u>
<b>Liabilities</b>			
Segment liabilities	100,062	433	100,495
Unallocated liabilities			203
			<u>100,698</u>
<b>Other information</b>			
Capital expenditure	21	1	22
Depreciation	761	138	899
Amortisation	2,141	-	2,141

## **9. Segmental reporting (continued)**

### **Palm Oil Products**

The palm oil products segment remained the Group's main source of revenue, which contributed 98.03% of the revenue of the Group in the current quarter.

For the quarter under review, revenue for this segment increased to RM94.15 million from RM65.16 million in the preceding year corresponding quarter. The increase was mainly attributed to the increase in selling price, sales volume and favourable exchange rate.

The operating profit for the current quarter increased to RM8.93 million from RM4.81 million in the preceding year corresponding quarter. The increase was mainly attributed to the increase in selling price, sales volume and favourable exchange rate.

### **Cocoa Products**

Cocoa products' contribution of 1.97% 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 2016.

## **12. Discontinued operation**

There was no discontinued operation during the quarter ended 31 July 2016.

## **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 2016 RM'000
Sale of crude palm kernel oil	136,661
Purchase of palm kernel	37,563
Sale of fresh fruit bunches	4,488
Purchase of fertilizers, chemicals, etc.	697
Sale of cocoa powder	409
Rental on factory building and infrastructures	1,206
Sale of chocolate products	805

## 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 45.32% from RM 66.09 million to RM 96.04 million as compared with preceding year corresponding quarter. The increase was mainly attributed to the increase in selling price, sales volume and favourable exchange rate.

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

The Group registered a profit before taxation of RM8.17 million as compared with RM1.60 million in the immediate preceding quarter. The increase was mainly attributed to the increase in operating margin in the current quarter.

## 19. Current Year Prospects

The current palm oil prices remain resilient on account of low stock levels; the Group is closely monitoring the global market on palm oil products. The palm-based business continues to be challenging and the management stays cautiously positive in the operation of the Group in this financial year.

## 20. Profit Forecast

The Group did not announce any profit forecast or profit guarantee during the current financial year.

## 21. Profit Before Tax

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

	Quarter Ended 31.07.2016 RM'000	Year-to-date 31.07.2016 RM'000
Interest Income	(28)	(95)
Interest Expenses	485	921
Rental Income	(43)	(86)
Depreciation and amortisation	1,493	3,040
Net foreign exchange gain	(1,429)	(1,532)
Rental of premises	12	23
Rental of equipment	21	43
Rental of land and factory	570	1,140

## 22. Taxation

	Current Quarter 31/07/2016 RM'000	Year-To- Date 31/07/2016 RM'000
Taxation for the current period	2,006	2,676
Deferred taxation for the current period	(166)	(566)
	<u>1,840</u>	<u>2,110</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	62,785
	<u>62,785</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			
	United States Dollar	Great Britain Pound	Renminbi	Total
	RM'000	RM'000	RM'000	RM'000
Trade and other receivables	37,876	-	64	37,940
Trade payables	(1,282)	-	-	(1,282)
Cash and bank balances	36,123	2	-	36,125
Borrowings	(3,803)	-	-	(3,803)
Total	68,914	2	64	68,980

## 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 for the period by the weighted average number of ordinary shares in issue.

	Current Year Quarter 31/07/2016	Preceding Year Corresponding Quarter 31/07/2015	Current Year To Date 31/07/2016	Preceding Year Corresponding Period 31/07/2015
Profit for the period (RM'000)	6,330	2,586	7,663	5,428
Weighted average number of ordinary shares in issue ('000)	40,097	40,097	40,097	40,097
Basic earnings per share (Sen)	<u>15.79</u>	<u>6.45</u>	<u>19.11</u>	<u>13.54</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.

### 31. Disclosure of realised and unrealised profits or losses

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

	As at 31.07.2016 RM'000	As at 31.01.2016 RM'000
Total accumulated losses of TGPB and its subsidiaries		
- Realised	(24,341)	(32,865)
- Unrealised	(18,143)	(18,794)
	(42,484)	(51,659)
Less: Consolidation adjustments	44,826	44,826
Total group retained earnings/ (accumulated losses) as per consolidated accounts	2,342	(6,833)

### By Order of the Board

Ng Kok Wah  
Company Secretary  
26 September 2016