



TECK GUAN PERDANA BERHAD

(COMPANY NO: 307097 - A)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 OCTOBER 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 31/10/2016 RM'000	Preceding Year Corresponding Quarter 31/10/2015 RM'000	Current Year To date 31/10/2016 RM'000	Preceding Year Corresponding Period 31/10/2015 RM'000
Revenue	92,904	48,488	289,519	168,783
Cost of sales	(84,551)	(41,020)	(262,842)	(144,556)
Gross profit	8,353	7,468	26,677	24,227
Other income/ (expenses)	903	(890)	2,834	(1,066)
Selling and distribution costs	(2,926)	(1,641)	(8,107)	(6,219)
Administrative expenses	(2,380)	(2,235)	(6,853)	(5,769)
Interest income	145	73	240	512
Finance cost	(453)	(242)	(1,374)	(815)
Profit before tax	3,642	2,533	13,417	10,870
Income tax expense	(645)	(293)	(2,755)	(3,200)
Profit net of tax	2,997	2,240	10,662	7,670
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the period/ year	2,997	2,240	10,662	7,670

TECK GUAN PERDANA BERHAD

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

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31/10/2016 RM'000	Preceding Year Corresponding Quarter 31/10/2015 RM'000	Current Year To date 31/10/2016 RM'000	Preceding Year Corresponding Period 31/10/2016 RM'000
Profit attributable to:				
Equity holders of the company	2,997	2,240	10,662	7,670
Total comprehensive income attributable to:				
Equity holders of the company	2,997	2,240	10,662	7,670
Earnings per Share Attributable to Equity Holders:				
Basic, for the period (Sen)	7.47	5.59	26.59	19.13
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 31/10/2016 RM'000	As At Preceding Financial Year End 31/01/2016 RM'000
<u>ASSETS</u>		
Non-current assets		
Property, plant & equipment	54,675	55,981
Biological assets	45,880	48,985
Deferred tax assets	5	5
	<hr/> 100,560	<hr/> 104,971
Current assets		
Inventories	26,046	38,002
Trade and other receivables	41,033	6,264
Cash and bank balances	16,043	19,279
	<hr/> 83,122	<hr/> 63,545
TOTAL ASSETS	<hr/> 183,682	<hr/> 168,516
<u>EQUITY AND LIABILITIES</u>		
Current liabilities		
Borrowings	46,259	46,184
Trade and other payables	16,277	10,441
Provision for taxation	1,691	2,167
	<hr/> 64,227	<hr/> 58,792
NET CURRENT ASSETS	<hr/> 18,895	<hr/> 4,753
Non-current liabilities		
Deferred tax liabilities	17,858	18,789
	<hr/> 17,858	<hr/> 18,789
TOTAL LIABILITIES	<hr/> 82,085	<hr/> 77,581
NET ASSETS	<hr/> 101,597	<hr/> 90,935
Equity		
Share capital	40,097	40,097
Share premium	7	7
Reserves	55,416	57,664
Retained earnings/ (accumulated losses)	6,077	(6,833)
Total Equity	<hr/> 101,597	<hr/> 90,935
TOTAL EQUITY & LIABILITIES	<hr/> 183,682	<hr/> 168,516
NET ASSETS PER SHARE (SEN)	253.38	226.79

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.

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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	
Opening balance at 1 February 2016	40,097	7	57,664	(6,833)	90,935
Total comprehensive income for the period	-	-	-	10,662	10,662
Assets revaluation reserve realised upon depreciation charged	-	-	(2,248)	2,248	-
Closing balance at 31 October 2016	40,097	7	55,416	6,077	101,597
Opening balance at 1 February 2015	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	-
Closing balance at 31 January 2016	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)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current Year To Date 31/10/2016 RM'000	Preceding Year Corresponding Period 31/10/2015 RM'000
Operating activities		
Profit before taxation	13,417	10,870
<u>Adjustments for:</u>		
Depreciation of property, plant and equipment	1,349	1,454
Amortisation of biological assets	3,183	2,226
Gain on disposal of property, plant and equipment	(6)	(461)
Plant and equipment written off	2	-
Interest income	(240)	(512)
Interest expense	1,374	815
Net fair value gain on derivatives	-	(702)
Total adjustments	<u>5,662</u>	<u>2,820</u>
Operating cash flows before changes in working capital	19,079	13,690
Decrease/ (increase) in inventories	11,956	(3,302)
(Increase)/ decrease in trade and other receivables	(34,769)	19,313
Increase/ (decrease) in trade and other payables	5,836	(20,600)
Total changes in working capital	<u>(16,977)</u>	<u>(4,589)</u>
Cash flows generated from operations	2,102	9,101
Interest paid	(1,374)	(815)
Interest received	240	512
Income tax paid	(4,161)	(1,749)
Net cash flows (used in)/ generated from operating activities	<u>(3,193)</u>	<u>7,049</u>
Investing activities		
Purchase of property, plant and equipment	(88)	(201)
Plantation development expenditure	(35)	-
Proceeds from disposal of property, plant and equipment	6	555
Net cash flows (used in)/ generated from investing activities	<u>(117)</u>	<u>354</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

	Current Year To Date 31/10/2016 RM'000	Preceding Year Corresponding Period 31/10/2015 RM'000
Financing Activities		
Drawdown of letter of credits	24,076	27,879
Repayment of letter of credits	(30,849)	(38,417)
Proceeds from bankers' acceptances	120,183	37,931
Repayment of bankers' acceptances	(104,488)	(25,493)
Repayment of term loan	(8,716)	(5,592)
	<hr/>	<hr/>
Net cash flows generated from/ (used in) financing activities	206	(3,692)
	<hr/>	<hr/>
Net (decrease)/ increase in cash and cash equivalents	(3,104)	3,711
	<hr/>	<hr/>
Cash and cash equivalents at beginning of the period	18,625	27,480
	<hr/>	<hr/>
Cash and cash equivalents at end of the period	<u>15,521</u>	<u>31,191</u>
	<hr/>	<hr/>
	As At 31/10/2016 RM'000	As At 31/10/2015 RM'000
*Cash and cash equivalents at end of the period consists of:		
Cash and Bank Balances	16,043	31,709
Bank Overdrafts	(522)	(518)
	<hr/>	<hr/>
	<u>15,521</u>	<u>31,191</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.

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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 October 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 October 2016 is set out below:

	Palm Oil Products RM'000	Cocoa Products RM'000	Consolidated RM'000
Revenue			
Revenue	282,434	7,085	289,519
Results			
Segment results	15,052	608	15,660
Unallocated corporate expenses			(869)
Finance Cost			(1,374)
Profit Before Tax			<u>13,417</u>
Assets			
Segment assets	154,436	28,840	183,276
Unallocated assets			406
			<u>183,682</u>
Liabilities			
Segment liabilities	81,022	452	81,474
Unallocated liabilities			611
			<u>82,085</u>
Other information			
Capital expenditure	87	1	88
Depreciation	1,142	207	1,349
Amortisation	3,183	-	3,183

9. Segmental reporting (continued)

Palm Oil Products

The palm oil products segment remained the Group's main source of revenue, which contributed 97.54% of the revenue of the Group in the current quarter.

For the quarter under review, revenue for this segment increased to RM90.62 million from RM45.60 million in the preceding year corresponding quarter. The increase was mainly attributed to the increase in selling price and sales volume.

The operating profit for the current quarter increased to RM3.96 million from RM2.72 million in the preceding year corresponding quarter. The increase was mainly attributed to the increase in selling price and favourable foreign exchange recognised.

Cocoa Products

Cocoa products' contribution of 2.46% 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 2016.

12. Discontinued operation

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

	9 months ended 31 October 2016 RM'000
Sale of crude palm kernel oil	184,682
Purchase of palm kernel	56,292
Sale of fresh fruit bunches	7,196
Purchase of fertilizers, chemicals, etc.	1,021
Sale of cocoa powder	544
Rental on factory building and infrastructures	1,810
Sale of chocolate products	1,305

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 91.59% from RM48.49 million to RM92.90 million as compared with preceding year corresponding quarter. The increase was mainly attributed to the increase in selling price and sales volume.

18. Comment On Material Changes In Profit Before Taxation

The Group registered a profit before taxation of RM3.64 million as compared with RM8.17 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

The current palm oil prices remain resilient bolstered by concerns of low stock levels. The Board is cautiously optimistic on the prospects of the palm-based business and the management will continue to focus on the cost and operating efficiency 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 year.

21. Profit Before Tax

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

	Quarter Ended 31.10.2016 RM'000	Year-to-date 31.10.2016 RM'000
Interest Income	(145)	(240)
Interest Expenses	453	1,374
Rental Income	(42)	(128)
Depreciation and amortisation	1,492	4,532
Net foreign exchange gain	(767)	(2,299)
Rental of premises	11	34
Rental of equipment	23	66
Rental of land and factory	570	1,710

22. Taxation

	Current Quarter 31/10/2016 RM'000	Year-To- Date 31/10/2016 RM'000
Taxation for the current period	1,009	3,685
Deferred taxation for the current period	(364)	(930)
	<u>645</u>	<u>2,755</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	46,259
	<u>46,259</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	37,287	-	64	37,351
Trade payables	(2,079)	-	-	(2,079)
Cash and bank balances	9,358	2	-	9,360
Borrowings	(979)	-	-	(979)
Total	43,587	2	64	43,653

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 31/10/2016	Preceding Year Corresponding Quarter 31/10/2015	Current Year To Date 31/10/2016	Preceding Year Corresponding Period 31/10/2015
Profit for the period (RM'000)	2,997	2,240	10,662	7,670
Weighted average number of ordinary shares in issue ('000)	40,097	40,097	40,097	40,097
Basic earnings per share (Sen)	<u>7.47</u>	<u>5.59</u>	<u>26.59</u>	<u>19.13</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 31.10.2016 RM'000	As at 31.01.2016 RM'000
Total accumulated losses of TGPB and its subsidiaries		
- Realised	(20,886)	(32,865)
- Unrealised	(17,863)	(18,794)
	(38,749)	(51,659)
Less: Consolidation adjustments	44,826	44,826
Total group retained earnings/ (accumulated losses) as per consolidated accounts	6,077	(6,833)

By Order of the Board

Ng Kok Wah
Company Secretary
21 December 2016