



TECK GUAN PERDANA BERHAD

(COMPANY NO: 307097 - A)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 APRIL 2017

TECK GUAN PERDANA BERHAD

(Company No. 307097-A)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30/04/2017 RM'000	Preceding Year Corresponding Quarter 30/04/2016 RM'000	Current Year To date 30/04/2017 RM'000	Preceding Year Corresponding Period 30/04/2016 RM'000
Revenue	122,689	100,570	122,689	100,570
Cost of sales	(123,982)	(93,590)	(123,982)	(93,590)
Gross (loss)/profit	(1,293)	6,980	(1,293)	6,980
Other income	736	326	736	326
Selling and distribution costs	(2,493)	(3,104)	(2,493)	(3,104)
Administrative expenses	(1,225)	(2,230)	(1,225)	(2,230)
Interest income	113	67	113	67
Finance cost	(517)	(436)	(517)	(436)
(Loss)/profit before tax	(4,679)	1,603	(4,679)	1,603
Taxation	1,033	(270)	1,033	(270)
(Loss)/profit net of tax	(3,646)	1,333	(3,646)	1,333
Other comprehensive income for the period/ year, net of tax	-	-	-	-
Total comprehensive loss/(income) for the period/ year	(3,646)	1,333	(3,646)	1,333

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(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (continued)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30/04/2017 RM'000	Preceding Year Corresponding Quarter 30/04/2016 RM'000	Current Year To date 30/04/2017 RM'000	Preceding Year Corresponding Period 30/04/2016 RM'000
(Loss)/profit attributable to:				
Equity holders of the company	(3,646)	1,333	(3,646)	1,333
Total comprehensive (loss)/ income attributable to:				
Equity holders of the company	(3,646)	1,333	(3,646)	1,333
(Loss)/ earnings per share attributable to equity holders:				
Basic, for the period (Sen)	(9.09)	3.32	(9.09)	3.32
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 2017 and the accompanying explanatory notes attached to the interim financial statements.

TECK GUAN PERDANA BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As At End Of Current Quarter 30/04/2017 RM'000	As At Preceding Financial Year End 31/01/2017 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	53,198	53,682
Biological assets	43,854	44,881
Deferred tax assets	5	5
	<hr/> 97,057	<hr/> 98,568
Current assets		
Inventories	13,502	54,456
Trade and other receivables	24,204	11,023
Cash and bank balances	36,712	24,082
Derivatives	-	35
Tax recoverable	54	59
	<hr/> 74,472	<hr/> 89,655
TOTAL ASSETS	<hr/> <hr/> 171,529	<hr/> <hr/> 188,223
EQUITY AND LIABILITIES		
Current liabilities		
Borrowings	46,672	51,903
Trade and other payables	9,047	14,862
Income tax payable	499	1,074
	<hr/> 56,218	<hr/> 67,839
NET CURRENT ASSETS	<hr/> 18,254	<hr/> 21,816
Non-current liabilities		
Deferred tax liabilities	16,042	17,469
	<hr/> 16,042	<hr/> 17,469
TOTAL LIABILITIES	<hr/> 72,260	<hr/> 85,308
NET ASSETS	<hr/> 99,269	<hr/> 102,915
Equity		
Share capital	40,097	40,097
Share premium	7	7
Asset revaluation reserve	53,737	54,522
Retained earnings	5,428	8,289
Total Equity	<hr/> 99,269	<hr/> 102,915
TOTAL EQUITY & LIABILITIES	<hr/> <hr/> 171,529	<hr/> <hr/> 188,223
NET ASSETS PER SHARE (SEN)	247.57	256.67

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 2017 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	Asset Revaluation Reserves RM'000	Retained Earnings/ (Accumulated Losses) RM'000	
Opening balance at 1 February 2017	40,097	7	54,522	8,289	102,915
Total comprehensive loss for the period	-	-	-	(3,646)	(3,646)
Assets revaluation reserve realised upon depreciation charged	-	-	(785)	785	-
Closing balance at 30 April 2017	40,097	7	53,737	5,428	99,269
Opening balance at 1 February 2016	40,097	7	57,664	(6,833)	90,935
Total comprehensive income for the year	-	-	-	11,980	11,980
Assets revaluation reserve realised upon depreciation charged	-	-	(3,142)	3,142	-
Closing balance at 31 January 2017	40,097	7	54,522	8,289	102,915

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 2017 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 30/04/2017 RM'000	Preceding Year Corresponding Period 30/04/2016 RM'000
Operating activities		
(Loss)/profit before taxation	(4,679)	1,603
<u>Adjustments for:</u>		
Amortisation of biological assets	1,052	1,098
Gain on disposal of property, plant and equipment	(3)	-
Depreciation of property, plant and equipment	476	449
Property, plant and equipment written off	1	2
Net fair value gain on derivatives	35	-
Interest income	(113)	(67)
Interest expense	517	436
Total adjustments	<u>1,965</u>	<u>1,918</u>
Operating cash flows before changes in working capital	(2,714)	3,521
<u>Changes in working capital:</u>		
Inventories	40,954	16,967
Trade and other receivables	(13,181)	(49,876)
Trade and other payables	(5,815)	15,491
Total changes in working capital	<u>21,958</u>	<u>(17,418)</u>
Cash flows generated from/(used in) operations	19,244	(13,897)
Interest paid	(517)	(436)
Interest received	113	67
Income tax paid	(964)	(637)
Net cash flows generated from/(used in) operating activities	<u>17,876</u>	<u>(14,903)</u>
Investing activities		
Purchase of property, plant and equipment	(7)	(12)
Plantation development expenditure	(11)	(11)
Proceeds from disposal of property, plant and equipment	3	-
Net cash flows used in investing activities	<u>(15)</u>	<u>(23)</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

	Current Year To Date 30/04/2017 RM'000	Preceding Year Corresponding Period 30/04/2016 RM'000
Financing Activities		
Drawdown of letter of credits	-	14,011
Repayment of letter of credits	-	(7,495)
Proceeds from bankers' acceptances	50,810	34,704
Repayment of bankers' acceptances	(55,948)	(27,384)
Repayment of term loan	-	(3,319)
	<hr/>	<hr/>
Net cash flows (used in)/generated from financing activities	(5,138)	10,517
	<hr/>	<hr/>
Net increase/ (decrease) in cash and cash equivalents	12,723	(4,409)
	<hr/>	<hr/>
Cash and cash equivalents at beginning of the period	23,723	18,625
	<hr/>	<hr/>
Cash and cash equivalents at end of the period	36,446	14,216
	<hr/> <hr/>	<hr/> <hr/>
	As At 30/04/2017 RM'000	As At 30/04/2016 RM'000
*Cash and cash equivalents at end of the period consists of:		
Cash and Bank Balances	36,712	14,324
Bank Overdrafts	(266)	(108)
	<hr/>	<hr/>
	36,446	14,216
	<hr/> <hr/>	<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 2017 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 2017. 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 2017.

2. Accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 January 2017 except for the adoption of the following Amendments to FRSs which take effect from 1 January 2017 and 1 January 2018:

Description	Effective for annual periods beginning on or after
FRS 107 Disclosure Initiative (Amendments to FRS107)	1 January 2017
FRS 112 Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to FRS 112)	1 January 2017
FRS 2 Classification and Measurement of share-based Payment Transactions (Amendments to FRS 2)	1 January 2018
FRS 9 Financial Instruments	1 January 2018

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 30 April 2017 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 30 April 2017 is set out below:

	Palm Oil Products RM'000	Cocoa Products RM'000	Consolidated RM'000
Revenue			
Revenue	119,042	3,647	122,689
Results			
Segment results	(4,270)	405	(3,865)
Unallocated corporate expenses			(297)
Finance cost			(517)
Loss before tax			<u>(4,679)</u>
Assets			
Segment assets	143,219	27,941	171,160
Unallocated assets			369
			<u>171,529</u>
Liabilities			
Segment liabilities	71,657	171	71,828
Unallocated liabilities			432
			<u>72,260</u>
Other information			
Capital expenditure	2	5	7
Depreciation	419	57	476
Amortisation	1,052	-	1,052

9. Segmental reporting (continued)

Palm Oil Products

The palm oil products segment remained the Group's main source of revenue, which contributed 97.03% of the revenue of the Group in the current quarter.

For the quarter under review, revenue for this segment increased to RM119.04 million from RM97.66 million in the preceding year corresponding quarter. The increase was mainly attributed to the increase in selling price.

The palm oil products segment reported an operating loss of RM4.27 million in the current quarter against a profit of RM2.12 million in the preceding year corresponding quarter. The decrease in operating profit was primarily attributed to the decrease in the operating margin.

Cocoa Products

Cocoa products' contribution of 2.97% 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 30 April 2017.

12. Discontinued operation

There was no discontinued operation during the quarter ended 30 April 2017.

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:

	3 months ended 30 April 2017 RM'000
Sale of crude palm kernel oil	63,333
Purchase of palm kernel	24,393
Sale of fresh fruit bunches	3,218
Purchase of fertilizers, chemicals, etc.	184
Sale of cocoa powder	47
Rental on factory building and infrastructures	580
Sale of chocolate products	339

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 21.99% from RM100.57 million to RM122.69 million as compared with preceding year corresponding quarter. The increase was mainly attributed to the increase in selling price.

18. Comment On Material Changes In Profit Before Tax

The Group registered a loss before tax of RM4.68 million against a profit before tax of RM1.87 million in the immediate preceding quarter. The loss before tax was primarily attributed to the decrease in operating margin in the current quarter.

19. Current Year Prospects

The palm oil market is expected to remain challenging with vulnerability in commodity prices coupled with volatility in exchange rates. However, Management is cautiously optimistic on the long term prospects of the palm-based industry and will continue to mitigate the related business risks in 2017.

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 30.04.2017 RM'000	Year-to-date 30.04.2017 RM'000
Interest Income	(113)	(113)
Interest Expenses	517	517
Rental Income	(43)	(43)
Depreciation and amortisation	1,528	1,528
Net foreign exchange loss	165	165
Rental of premises	11	11
Rental of equipment	20	20
Rental of land and factory	548	548

22. Taxation

	Current Quarter 30/04/2017 RM'000	Year-To- Date 30/04/2017 RM'000
Taxation for the current period	393	393
Deferred taxation for the current period	<u>(1,426)</u>	<u>(1,426)</u>
	<u>(1,033)</u>	<u>(1,033)</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	46,672
	<u>46,672</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	Renminbi	Total
	RM'000	RM'000	RM'000
Trade and other receivables	2,691	54	2,745
Trade payables	(533)	-	(533)
Cash and bank balances	12,009	-	12,009
Total	14,167	54	14,221

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 30/04/2017	Preceding Year Corresponding Quarter 30/04/2016	Current Year To Date 30/04/2017	Preceding Year Corresponding Period 30/04/2016
(Loss)/profit for the period (RM'000)	(3,646)	1,333	(3,646)	1,333
Weighted average number of ordinary shares in issue ('000)	40,097	40,097	40,097	40,097
Basic (loss)/earnings per share (Sen)	<u>(9.09)</u>	<u>3.32</u>	<u>(9.09)</u>	<u>3.32</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 retained earnings/(accumulated losses) of the Group is analysed as follows:

	As at 30.04.2017 RM'000	As at 31.01.2017 RM'000
Total accumulated losses of TGPB and its subsidiaries		
- Realised	(25,591)	(22,161)
- Unrealised	(16,038)	(16,607)
	(41,629)	(38,768)
Less: Consolidation adjustments	47,057	47,057
Total group retained earnings as per consolidated accounts	5,428	8,289

By Order of the Board

Ng Kok Wah
Company Secretary
29 June 2017