



TECK GUAN PERDANA BERHAD

(COMPANY NO: 307097 - A)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 OCTOBER 2017

TECK GUAN PERDANA BERHAD

(Company No. 307097-A)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL PERIOD (3rd quarter)		CUMULATIVE PERIOD	
	Current Year Quarter 31/10/2017 RM'000	Preceding Year Corresponding Quarter 31/10/2016 RM'000	Current Year ToDate 31/10/2017 RM'000	Preceding Year Corresponding Period 31/10/2016 RM'000
Revenue	112,324	92,904	311,404	289,519
Cost of sales	(104,111)	(84,551)	(301,905)	(262,842)
Gross profit	8,213	8,353	9,499	26,677
Other operating (expenses)/income	(244)	903	205	2,834
Selling and distribution costs	(3,872)	(2,926)	(8,680)	(8,107)
Administrative expenses	(1,244)	(2,380)	(3,671)	(6,853)
Operating profit/(loss)	2,853	3,950	(2,647)	14,551
Interest income	95	145	352	240
Finance costs	(618)	(453)	(1,577)	(1,374)
Profit/(loss) before tax	2,330	3,642	(3,872)	13,417
Taxation	(470)	(645)	1,279	(2,755)
Profit/(loss) net of tax	1,860	2,997	(2,593)	10,662
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income/(loss) for the period	1,860	2,997	(2,593)	10,662

TECK GUAN PERDANA BERHAD

(Company No. 307097-A)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

	INDIVIDUAL PERIOD (3rd quarter)		CUMULATIVE PERIOD	
	Current Year Quarter 31/10/2017 RM'000	Preceding Year Corresponding Quarter 31/10/2016 RM'000	Current Year Todate 31/10/2017 RM'000	Preceding Year Corresponding Period 31/10/2016 RM'000
Profit/(loss) attributable to:				
Equity holders of the Company	<u>1,860</u>	<u>2,997</u>	<u>(2,593)</u>	<u>10,662</u>
Total comprehensive income/(loss) attributable to:				
Equity holders of the Company	<u>1,860</u>	<u>2,997</u>	<u>(2,593)</u>	<u>10,662</u>
Earnings/(loss) per share attributable to equity holders:				
Basic, for the period (Sen)	4.64	7.47	(6.47)	26.59
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

(Company No. 307097-A)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As At End Of Current Quarter 31/10/2017 RM'000	As At Preceding Financial Year End 31/01/2017 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	52,247	53,682
Biological assets	41,806	44,881
Deferred tax assets	5	5
	<hr/> 94,058	<hr/> 98,568
Current Assets		
Inventories	25,468	54,456
Trade and other receivables	57,517	11,023
Cash and bank balances	38,211	24,082
Derivatives	-	35
Tax recoverable	1,026	59
	<hr/> 122,222	<hr/> 89,655
TOTAL ASSETS	<hr/> 216,280	<hr/> 188,223
EQUITY AND LIABILITIES		
Current Liabilities		
Loans and borrowings	73,814	51,903
Trade and other payables	26,934	14,862
Derivative	85	-
Income tax payable	-	1,074
	<hr/> 100,833	<hr/> 67,839
NET CURRENT ASSETS	<hr/> 21,389	<hr/> 21,816
Non-Current Liability		
Deferred tax liabilities	15,125	17,469
	<hr/> 15,125	<hr/> 17,469
TOTAL LIABILITIES	<hr/> 115,958	<hr/> 85,308
NET ASSETS	<hr/> 100,322	<hr/> 102,915
Equity attributable to owners of the Company		
Share capital	40,104	40,097
Share premium	-	7
Asset revaluation reserve	52,166	54,522
Retained earnings	8,052	8,289
Total Equity	<hr/> 100,322	<hr/> 102,915
TOTAL EQUITY & LIABILITIES	<hr/> 216,280	<hr/> 188,223
NET ASSETS PER SHARE (SEN)	250.20	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.

TECK GUAN PERDANA BERHAD

(Company No. 307097-A)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to owners of the company →				
	← Non-distributable →				
	Share Capital RM'000	Share Premium RM'000	Asset Revaluation Reserves RM'000	Retained Earnings/ (Accumulated Losses) RM'000	Equity, Total RM'000
Opening balance at 1 February 2017	40,097	7	54,522	8,289	102,915
Total comprehensive loss for the period	-	-	-	(2,593)	(2,593)
Transition to non par value regime	7	(7)	-	-	-
Assets revaluation reserve realised upon depreciation charged	-	-	(2,356)	2,356	-
Closing balance at 31 October 2017	<u>40,104</u>	<u>-</u>	<u>52,166</u>	<u>8,052</u>	<u>100,322</u>
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	<u>40,097</u>	<u>7</u>	<u>54,522</u>	<u>8,289</u>	<u>102,915</u>

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 31/10/2017 RM'000	Preceding Year Corresponding Period 31/10/2016 RM'000
Operating activities		
(Loss)/profit before taxation	(3,872)	13,417
<u>Adjustments for:</u>		
Amortisation of biological assets	3,113	3,183
Gain on disposal of property, plant and equipment	(4)	(6)
Depreciation of property, plant and equipment	1,452	1,349
Property, plant and equipment written off	1	2
Net fair value gain on derivatives	119	-
Interest income	(352)	(240)
Interest expense	1,577	1,374
Total adjustments	<u>5,906</u>	<u>5,662</u>
Operating cash flows before changes in working capital	2,034	19,079
<u>Changes in working capital:</u>		
Inventories	28,988	11,956
Trade and other receivables	(46,494)	(34,769)
Trade and other payables	12,072	5,836
Total changes in working capital	<u>(5,434)</u>	<u>(16,977)</u>
Cash flows (used in)/generated from operations	(3,400)	2,102
Interest paid	(1,577)	(1,374)
Interest received	352	240
Income tax paid	(3,106)	(4,161)
Net cash flows used in operating activities	<u>(7,731)</u>	<u>(3,193)</u>

TECK GUAN PERDANA BERHAD

(Company No. 307097-A)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	Current Year To Date 31/10/2017 RM'000	Preceding Year Corresponding Period 31/10/2016 RM'000
Investing activities		
Purchase of property, plant and equipment	(19)	(88)
Plantation development expenditure	(37)	(35)
Proceeds from disposal of property, plant and equipment	5	6
Net cash flows used in investing activities	<u>(51)</u>	<u>(117)</u>
Financing activities		
Drawdown of letter of credits	-	24,076
Repayment of letter of credits	-	(30,849)
Proceeds from bankers' acceptance	147,833	120,183
Repayment of bankers' acceptances	(125,719)	(104,488)
Repayment of term loan	-	(8,716)
Net cash flows generated from financing activities	<u>22,114</u>	<u>206</u>
Net increase/(decrease) in cash and cash equivalents	<u>14,332</u>	<u>(3,104)</u>
Cash and cash equivalents at beginning of the period	23,723	18,625
Cash and cash equivalents at end of the period	<u>38,055</u>	<u>15,521</u>
	As At 31/10/2017	As At 31/10/2016
*Cash and cash equivalents at end of the period consists of:		
Cash and bank balances	38,211	16,043
Bank overdrafts	(156)	(522)
	<u>38,055</u>	<u>15,521</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 2017 and the accompanying explanatory notes attached to the interim financial statements.

TECK GUAN PERDANA BERHAD

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

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 Interpretation15 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 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 31 October 2017 is set out below:

	Palm Oil Products RM'000	Cocoa Products RM'000	Consolidated RM'000
Revenue	303,130	8,274	311,404
Results			
Segment results	(2,010)	614	(1,396)
Unallocated corporate expenses			(899)
Finance cost			(1,577)
Loss before tax			<u>(3,872)</u>
Assets			
Segment assets	186,572	29,145	215,717
Unallocated assets			563
			<u>216,280</u>
Liabilities			
Segment liabilities	115,017	540	115,557
Unallocated liabilities			401
			<u>115,958</u>
Other information			
Capital expenditure	5	14	19
Depreciation	1,283	169	1,452
Amortisation	3,113	-	3,113

9. Segmental reporting (continued)

Palm Oil Products

The palm oil products segment remained the Group's main source of revenue, which contributed 97.80% of the revenue of the Group in the current quarter.

For the quarter under review, revenue for this segment increased to RM109.85 million from RM90.62 million in the preceding year corresponding quarter. The increase was mainly attributed to the increase in sales volume.

The operating profit for the current quarter decreased to RM3.10 million from RM3.96 million in the preceding year corresponding quarter. The decrease was primarily attributed to the decrease in operating margin.

Cocoa Products

Cocoa products' contribution of 2.20% 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 2017.

12. Discontinued operation

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

	9 months ended 31 October 2017 RM'000
Sale of crude palm kernel oil	132,374
Purchase of palm kernel	71,012
Sale of fresh fruit bunches	8,635
Purchase of fertilizers, chemicals, etc.	1,068
Sale of cocoa powder	290
Rental on factory building and infrastructures	1,745
Sale of chocolate products	1,160

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

Financial review for current quarter and financial year to date

	INDIVIDUAL PERIOD (3rd quarter)		Changes %	CUMULATIVE PERIOD		Changes %
	Current Year Quarter 31/10/2017 RM'000	Preceding Year Corresponding Quarter 31/10/2016 RM'000		Current Year Todate 31/10/2017 RM'000	Preceding Year Corresponding Period 31/10/2016 RM'000	
	Revenue	112,324		92,904	21%	
Gross profit	8,213	8,353	-2%	9,499	26,677	-64%
Operating profit/(loss)	2,853	3,950	-28%	(2,647)	14,551	-118%
Profit/(loss) before tax	2,330	3,642	-36%	(3,872)	13,417	-129%
Profit/(loss) net of tax	1,860	2,997	-38%	(2,593)	10,662	-124%
Profit/(loss) attributable to ordinary equity holders of the Parent	1,860	2,997	-38%	(2,593)	10,662	-124%

For the quarter under review, revenue for the Group increased by 21% from RM92.90 million to RM112.32 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 Tax

Financial review for current quarter compared with immediate preceding quarter

	Current Quarter 31/10/2017 RM'000	Immediate Preceding Quarter 31/07/2017 RM'000	Changes %
Revenue	112,324	76,391	47%
Gross profit	8,213	2,578	219%
Operating profit/(loss)	2,853	(1,226)	333%
Profit/(loss) before tax	2,330	(1,524)	253%
Profit/(loss) net of tax	1,860	(808)	330%
Profit/(loss) attributable to ordinary equity holders of the Parent	1,860	(808)	330%

The Group registered a profit before tax of RM2.33 million against a loss before tax of RM1.52 million in the immediate preceding quarter. The increase was primarily attributed to the increase 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, and uncertainty of market demand. However, Management is cautiously optimistic on the long term prospects of the palm-based industry and will continue to mitigate the related business risks and focus on efficiency improvement on cost control.

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 31.10.2017 RM'000	Year-to-date 31.10.2017 RM'000
Interest Income	(95)	(352)
Interest Expenses	618	1,577
Rental Income	(42)	(128)
Depreciation and amortisation	1,513	4,565
Net foreign exchange loss	502	829
Rental of premises	11	34
Rental of equipment	23	65
Rental of land and factory	548	1,645

22. Taxation

	Current Quarter 31/10/2017 RM'000	Year-To- Date 31/10/2017 RM'000
Taxation for the current period	424	1,065
Deferred taxation for the current period	46	(2,344)
	<u>470</u>	<u>(1,279)</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:

	As at 31/10/2017 RM'000	As at 31/10/2016 RM'000
Short term borrowings:		
Secured		
Bankers' acceptances	73,658	44,757
Term loan	-	979
	73,658	45,736
Unsecured		
Bank overdrafts	156	523
Total	73,814	46,259

27. Derivatives

Type of derivative	Contract/ notional amount as at 31/10/2017 RM	Fair value liabilities as at 31/10/2017 RM
Non-hedging derivatives		
Forward currency contracts - Less than 1 year	25,574,381	(84,519)

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 for which from commitments existed at reporting date.

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	Renminbi	Total
	RM'000	RM'000	RM'000
Trade and other receivables	49,541	42	49,583
Trade payables	(6,888)	-	(6,888)
Cash and bank balances	19,933	-	19,933
Total	62,586	42	62,628

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 31/10/2017	Preceding Year Corresponding Quarter 31/10/2016	Current Year To Date 31/10/2017	Preceding Year Corresponding Period 31/10/2016
Profit/(loss) for the period (RM'000)	1,860	2,997	(2,593)	10,662
Weighted average number of ordinary shares in issue ('000)	40,097	40,097	40,097	40,097
Basic earnings/(loss) per share (Sen)	<u>4.64</u>	<u>7.47</u>	<u>(6.47)</u>	<u>26.59</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.

32. Disclosure of realised and unrealised profits or losses

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

	As at 31.10.2017 RM'000	As at 31.01.2017 RM'000
Total accumulated losses of TGPB and its subsidiaries		
- Realised	(23,800)	(22,161)
- Unrealised	(15,205)	(16,607)
	(39,005)	(38,768)
Less: Consolidation adjustments	47,057	47,057
Total group retained earnings as per consolidated accounts	8,052	8,289

33. Authorisation for issue

The unaudited interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 18 December 2017.