



# **TECK GUAN PERDANA BERHAD**

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

## **UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 OCTOBER 2019**

# 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 31/10/2019 RM'000	Preceding Year Corresponding Quarter 31/10/2018 RM'000	Current Year Todate 31/10/2019 RM'000	Preceding Year Corresponding Period 31/10/2018 RM'000
Revenue	45,255	64,334	176,341	203,376
Cost of sales	(39,996)	(59,456)	(158,571)	(196,392)
<b>Gross profit</b>	5,259	4,878	17,770	6,984
Other operating income	433	669	711	1,545
Selling and distribution costs	(1,570)	(2,573)	(6,545)	(6,863)
Administrative expenses	(1,695)	(1,351)	(4,190)	(3,916)
<b>Operating profit/(loss)</b>	2,427	1,623	7,746	(2,250)
Interest income	116	117	442	456
Finance costs	(218)	(546)	(681)	(1,145)
<b>Profit/(loss) before tax</b>	2,325	1,194	7,507	(2,939)
Taxation	(498)	(309)	(1,533)	387
<b>Profit/(loss) net of tax</b>	1,827	885	5,974	(2,552)
<b>Other comprehensive income for the period, net of tax</b>	-	-	-	-
<b>Total comprehensive profit/ (loss) for the period</b>	1,827	885	5,974	(2,552)

# 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 31/10/2019 RM'000	Preceding Year Corresponding Quarter 31/10/2018 RM'000 (Restated)	Current Year To date 31/10/2019 RM'000	Preceding Year Corresponding Period 31/10/2018 RM'000 (Restated)
<b>Profit/(loss) attributable to:</b>				
Equity holders of the Company	<u>1,827</u>	<u>885</u>	<u>5,974</u>	<u>(2,552)</u>
<b>Total comprehensive profit/(loss) attributable to:</b>				
Equity holders of the Company	<u>1,827</u>	<u>885</u>	<u>5,974</u>	<u>(2,552)</u>
<b>Earnings/(loss) per share attributable to equity holders:</b>				
Basic, for the period (Sen)	4.56	2.21	14.90	(6.36)
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 2019 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 31/10/2019 RM'000	As At Preceding Financial Year End 31/01/2019 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	22,063	23,136
Right-of-use assets	2,742	-
	<u>24,805</u>	<u>23,136</u>
<b>Current Assets</b>		
Biological assets	336	240
Inventories	17,663	27,885
Trade and other receivables	12,046	6,913
Cash and bank balances	33,005	39,376
Tax recoverable	42	1,206
	<u>63,092</u>	<u>75,620</u>
<b>TOTAL ASSETS</b>	<u><u>87,897</u></u>	<u><u>98,756</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	40,104	40,104
Retained earnings	14,944	8,970
<b>Total Equity</b>	<u>55,048</u>	<u>49,074</u>
<b>Non-Current Liabilities</b>		
Deferred tax liabilities	1,674	1,753
Lease liabilities	655	-
	<u>2,329</u>	<u>1,753</u>
<b>Current Liabilities</b>		
Loans and borrowings	19,268	36,420
Trade and other payables	8,633	11,344
Derivative	1	24
Lease liabilities	2,033	-
Income tax payable	585	141
	<u>30,520</u>	<u>47,929</u>
<b>TOTAL LIABILITIES</b>	<u>32,849</u>	<u>49,682</u>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<u><u>87,897</u></u>	<u><u>98,756</u></u>
<b>NET ASSETS PER SHARE (SEN)</b>	137.29	122.39

*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 2019 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	Distributable	
	Share Capital RM'000	Retained Earnings RM'000	Equity, Total RM'000
<b>Opening balance at 1 February 2019</b>	40,104	8,970	49,074
Total comprehensive profit for the period	-	5,974	5,974
<b>Closing balance at 31 October 2019</b>	40,104	14,944	55,048
<b>Opening balance at 1 February 2018</b>	40,104	6,448	46,552
Total comprehensive profit for the year	-	2,522	2,522
<b>Closing balance at 31 January 2019</b>	40,104	8,970	49,074

*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 2019 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

	<b>Current Year To Date 31/10/2019 RM'000</b>	<b>Preceding Year Corresponding Period 31/10/2018 RM'000</b>
<b>Operating activities</b>		
Profit/(loss) before taxation	7,507	(2,939)
<u>Adjustments for:</u>		
Amortisation of biological assets	254	3,118
Gain on disposal of property, plant and equipment	(8)	-
Depreciation of property, plant and equipment	2,484	1,390
Property, plant and equipment written off	2	-
Net fair value (gain)/loss on derivatives	(24)	161
Unrealised gain on foreign exchange	(79)	(225)
Net fair value gain on biological assets	(96)	-
Interest income	(442)	(456)
Interest expense	681	1,145
Total adjustments	<u>2,772</u>	<u>5,133</u>
<b>Operating cash flows before changes in working capital</b>	<b>10,279</b>	<b>2,194</b>
<u>Changes in working capital:</u>		
Inventories	10,222	(9,726)
Trade and other receivables	(5,135)	(8,465)
Trade and other payables	(2,676)	(3,550)
Total changes in working capital	<u>2,411</u>	<u>(21,741)</u>
Cash flows generated from/(used in) operations	12,690	(19,547)
Interest paid	(681)	(1,145)
Interest received	442	456
Income tax paid	(1,226)	(1,886)
Income tax refunded	1,223	-
<b>Net cash flows generated from/(used in) operating activities</b>	<u><b>12,448</b></u>	<u><b>(22,122)</b></u>

## TECK GUAN PERDANA BERHAD

(Company No. 307097-A)

(Incorporated in Malaysia)

### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	<b>Current Year To Date 31/10/2019 RM'000</b>	<b>Preceding Year Corresponding Period 31/10/2018 RM'000</b>
<b>Investing activity</b>		
Purchase of property, plant and equipment	(134)	(48)
Proceeds from disposal of property, plant and equipment	17	-
<b>Net cash flows used in investing activity</b>	<u>(117)</u>	<u>(48)</u>
<b>Financing activities</b>		
Drawdown of letter of credits	51,151	28,670
Repayment of letter of credits	(51,151)	(34,761)
Proceeds from bankers' acceptances	69,523	130,988
Repayment of bankers' acceptances	(86,683)	(142,401)
Repayment of lease liabilities	(1,597)	-
<b>Net cash flows used in financing activities</b>	<u>(18,757)</u>	<u>(17,504)</u>
<b>Net decrease in cash and cash equivalents</b>	<u>(6,426)</u>	<u>(39,674)</u>
Effect of exchange rate changes on cash and cash equivalents	47	159
<b>Cash and cash equivalents at beginning of the year</b>	38,976	52,646
<b>Cash and cash equivalents at end of the year</b>	<u>32,597</u>	<u>13,131</u>
	<b>As At 31/10/2019</b>	<b>As At 31/10/2018</b>
*Cash and cash equivalents at end of the year consists of:		
Cash and bank balances	33,005	13,394
Bank overdrafts	(408)	(263)
	<u>32,597</u>	<u>13,131</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 2019 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 condensed consolidated interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard MFRS 134: Interim Financial Reporting, IAS 34: Interim Financial Reporting, requirements of the Companies Act 2016 in Malaysia and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 January 2019. 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 financial year ended 31 January 2019.

### 2. Accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 31 January 2019 except for the following Amendments to MFRSs and Annual improvement which take effect from 1 January 2019:

#### **MFRS 16 Leases**

MFRS 16 Leases will replace MFRS 117 Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, IC interpretation 115 Operating Lease-Incentives and IC Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

At the commencement date of a lease, a lessee will recognise a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions), less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications.

Classification of cash flows will also be affected as operating lease payments under MFRS 117 are presented as operating cash flows, whereas under MFRS 16, the lease payments will be split into a principal (which will be presented as financing cash flows) and an interest portion (which will be presented as operating cash flows).

Lessor accounting under MFRS 16 is substantially the same as the accounting under MFRS 117. Lessors will continue to classify all leases using the same classification principle as in MFRS 117 and distinguish between two types of leases: operating and finance leases. MFRS 16 also requires lessees and lessors to make more extensive disclosures than under MFRS 117.

The changes in accounting policies have been applied retrospectively from 1 February 2019. In accordance with the transition requirements, the comparatives are not restated.



## 2. Accounting policies (continued)

The impact of the changes in accounting policy on the financial statements as a result of the transition to the MFRS Framework are as follows:

### CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31/01/2019 RM'000	Effects of adoption MFRS 16 RM'000	As at 01/02/2019 RM'000
<b>Non-Current Assets</b>			
Right-of-use assets	-	4,284	4,284
<b>Equity</b>			
Retained earnings	8,970	(229)	8,741
<b>Non-Current Liability</b>			
Lease Liabilities	-	2,347	2,347
<b>Current Liabilities</b>			
Lease Liabilities	-	2,166	2,166

The Group has also adopted the following amendments to MFRS and that came into effect which did not have any significant impact on the unaudited condensed consolidated financial statements upon their initial application.

Description	Effective for annual periods beginning on or after
IC Interpretation 23 Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 128 Long-term Interests in Associates and Joint Ventures	1 January 2019
Amendments to MFRS 9 Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 3 Annual Improvements to MFRS Standards 2015-2017 Cycle	1 January 2019
Amendments to MFRS 11 Annual Improvements to MFRS Standards 2015-2017 Cycle	1 January 2019
Amendments to MFRS 112 Annual Improvements to MFRS Standards 2015-2017 Cycle	1 January 2019
Amendments to MFRS 123 Annual Improvements to MFRS Standards 2015-2017 Cycle	1 January 2019
Amendments to MFRS 119 Plan Amendment, Curtailment or Settlement	1 January 2019

## 2. Accounting policies (continued)

The following Malaysian Financial Reporting Standard (MFRS), IC Interpretations and Amendments to IC Interpretations were issued but not yet effective and have not been applied by the Group:

Description	Effective for annual periods beginning on or after
Amendments to References to the Conceptual Framework in MFRS Standards:	
- Amendments to MFRS 3: Business Combinations – Definition of a Business	1 January 2020
- Amendments to MFRS 101: Presentation of Financial Statements and MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors- Definition of Material	1 January 2020
Revised Conceptual Framework for Financial Reporting	1 January 2020
MFRS 17: Insurance Contracts	1 January 2021
Amendments to MFRS 10 and MFRS128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

## 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 2019 is set out below:

	Palm Oil Products RM'000	Cocoa Products RM'000	Consolidated RM'000
<b>Revenue</b>	169,197	7,144	176,341
<b>Results</b>			
Segment results	8,130	937	9,067
Unallocated corporate expenses			(879)
Finance cost			(681)
Profit before tax			<u>7,507</u>
<b>Assets</b>			
Segment assets	72,297	15,381	87,678
Unallocated assets			219
			<u>87,897</u>
<b>Liabilities</b>			
Segment liabilities	31,939	513	32,452
Unallocated liabilities			397
			<u>32,849</u>
<b>Other information</b>			
Capital expenditure	134	-	134
Depreciation	2,333	151	2,484
Amortisation	254	-	254

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

### **Palm Oil Products**

The palm oil products segment remained the Group's main source of revenue, which contributed 94.99% of the revenue of the Group in the current quarter.

For the quarter under review, revenue for this segment decreased to RM42.99 million from RM62.07 million in the preceding year corresponding quarter. The decrease was mainly attributed to the decrease in sales volume.

The operating profit for the current quarter increased to RM2.41 million from RM1.53 million in the preceding year corresponding quarter. The increase was primarily attributed to an increase in operating margin.

### **Cocoa Products**

Cocoa products segment contributed 5.01% to the revenue of the Group as compared to 3.52% in the preceding year corresponding quarter.

## **10. 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 2019.

## **11. Discontinued operation**

There was no discontinued operation during the quarter ended 31 October 2019.

## **12. Capital commitment**

There were no material capital commitments as at the end of the quarter under review.

## **13. Contingent liabilities**

There were no material contingent liabilities since the last annual balance sheet date.

#### 14. Material related party transactions

Significant transactions between the Group and its jointly controlled entities are as follows:

	9 months ended 31 October 2019 RM'000
Purchase of palm kernel	29,025
Purchase of palm oil related products	11,713
Sale of fresh fruit bunches	4,210
Purchase of fertilizers, chemicals, etc.	1,884
Sale of cocoa powder	397
Rental on factory building and infrastructures	1,731
Sale of chocolate products	1,406

#### 15. 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.

#### 16. Review of Group's Performance

	INDIVIDUAL PERIOD (3rd quarter)		Changes	CUMULATIVE PERIOD		Changes
	Current Year Quarter	Preceding Year Corresponding Quarter		Current Year Todate	Preceding Year Corresponding Period	
	31/10/2019 RM'000	31/10/2018 RM'000	%	31/10/2019 RM'000	31/10/2018 RM'000	%
Revenue	45,255	64,334	-30%	176,341	203,376	-13%
Gross profit	5,259	4,878	8%	17,770	6,984	154%
Operating profit/(loss)	2,427	1,623	50%	7,746	(2,250)	444%
Profit/(loss) before tax	2,325	1,194	95%	7,507	(2,939)	355%
Profit/(loss) net of tax	1,827	885	106%	5,974	(2,552)	334%
Profit/(loss) attributable to ordinary equity holders of the Parent	1,827	885	106%	5,974	(2,552)	334%

For the current quarter under review, revenue for the Group decreased by 30% from RM64.33 million to RM45.26 million as compared with preceding year corresponding quarter. The decrease was mainly attributed to the decrease in sales volume. However, the operating profit increased from RM1.62 million to RM2.42 million compared with the preceding year corresponding quarter, the increase was mainly attributed to the increase in operating margin.

## 17. Comment On Material Changes In Profit Before Tax

	Current Quarter  31/10/2019 RM'000	Immediate Preceding Quarter 31/07/2019 RM'000	Changes   %
Revenue	45,255	70,549	-36%
Gross profit	5,259	7,918	-34%
Operating profit	2,427	3,329	-27%
Profit before tax	2,325	3,224	-28%
Profit net of tax	1,827	2,364	-23%
Profit attributable to ordinary equity holders of the Parent	1,827	2,364	-23%

The Group registered a profit before tax of RM2.33 million as compared with RM3.22 million in the immediate preceding quarter. The decrease was primarily attributed to the decrease in operating margin in the current quarter.

## 18. Current Year Prospects

The market has recorded a recent recovery of palm-based products prices. However if such current price level is sustained, and barring any unforeseen circumstances, the Management anticipates satisfactory performance for the coming quarter.

Nevertheless the Management is cautiously optimistic on the long-term prospects of the palm-based industry and will continue to focus on cost efficiency, enhanced productivity and to mitigate business associated risks.

## 19. Profit Forecast

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

## 20. Profit Before Tax

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

	Quarter Ended 31/10/2019 RM'000	Year-to-date 31/10/2019 RM'000
Interest Income	(116)	(442)
Interest Expenses	218	681
Rental Income	(44)	(130)
Depreciation and amortisation	916	2,738
Net foreign exchange (gain)/loss	(126)	52
Rental of premises	11	34
Rental of equipment	24	72

## 21. Taxation

	<b>Current Quarter 31/10/2019 RM'000</b>	<b>Year-To- Date 31/10/2019 RM'000</b>
Taxation for the current period	498	1,611
Deferred taxation for the current period	-	(79)
	<u>498</u>	<u>1,533</u>

## 22. 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.

## 23. 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.

## 24. Corporate Proposals

There are no corporate proposals announced but not completed as at the date of this report.

## 25. Borrowings

The Group borrowings, which are denominated in Ringgit Malaysia, as at the end of the reporting period were as follows:

	As at 31/10/2019 RM'000	As at 31/10/2018 RM'000
<b>Short term borrowings:</b>		
<b>Secured</b>		
Bankers' acceptances	18,860	50,556
	18,860	50,556
<b>Unsecured</b>		
Bank overdrafts	408	263
<b>Total</b>	<b>19,268</b>	<b>50,819</b>

## 26. Derivatives

Type of derivative	Contract/ notional amount as at 31/10/2019 RM'000	Fair value liabilities as at 31/10/2019 RM'000
<b>Non-hedging derivatives</b>		
Forward currency contracts - Less than 1 year	146	(1)

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.

## 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	United States Dollar RM'000	Euro RM'000	Total RM'000
Trade and other receivables	6,408	-	6,408
Cash and bank balances	8,374	-	8,374
Trade and other payables	(483)	(179)	(662)
Total	14,299	(179)	14,120

## 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 31/10/2019	Preceding Year Corresponding Quarter 31/10/2018	Current Year To Date 31/10/2019	Preceding Year Corresponding Period 31/10/2018
Profit/(loss) for the period (RM'000)	1,827	885	5,974	(2,552)
Weighted average number of ordinary shares in issue ('000)	40,097	40,097	40,097	40,097
Basic earnings/(loss) per share (Sen)	<u>4.56</u>	<u>2.21</u>	<u>14.90</u>	<u>(6.36)</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. Authorisation for issue

The unaudited interim financial statements were authorised for issue by the Board of Directors on 18 December 2019.