



# **TECK GUAN PERDANA BERHAD**

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

## **UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 JANUARY 2020**

# TECK GUAN PERDANA BERHAD

(Company No. 307097-A)

(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL PERIOD (4th quarter)		CUMULATIVE PERIOD	
	Current Year Quarter 31/01/2020 RM'000	Preceding Year Corresponding Quarter 31/01/2019 RM'000	Current Year Todate 31/01/2020 RM'000	Preceding Year Corresponding Period 31/01/2019 RM'000
Revenue	97,311	98,526	273,652	301,902
Cost of sales	(92,213)	(86,440)	(250,785)	(282,832)
<b>Gross profit</b>	5,098	12,086	22,867	19,070
Other operating income	128	289	838	1,834
Selling and distribution costs	(5,691)	(4,042)	(12,236)	(10,905)
Administrative expenses	(1,514)	(1,223)	(5,704)	(5,139)
<b>Operating (loss)/profit</b>	(1,979)	7,110	5,765	4,860
Interest income	132	157	574	613
Finance costs	(1,098)	(404)	(1,778)	(1,549)
<b>(Loss)/profit before tax</b>	(2,945)	6,863	4,561	3,924
Taxation	130	(1,789)	(1,402)	(1,402)
<b>(Loss)/profit net of tax</b>	(2,815)	5,074	3,159	2,522
<b>Other comprehensive income for the period, net of tax</b>	-	-	-	-
<b>Total comprehensive (loss)/profit for the period</b>	(2,815)	5,074	3,159	2,522

# TECK GUAN PERDANA BERHAD

(Company No. 307097-A)

(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

	INDIVIDUAL PERIOD (4th quarter)		CUMULATIVE PERIOD	
	Current Year Quarter 31/01/2020 RM'000	Preceding Year Corresponding Quarter 31/01/2019 RM'000 (Restated)	Current Year Todate 31/01/2020 RM'000	Preceding Year Corresponding Period 31/01/2019 RM'000 (Restated)
<b>(Loss)/profit attributable to:</b>				
Equity holders of the Company	<u>(2,815)</u>	<u>5,074</u>	<u>3,159</u>	<u>2,522</u>
<b>Total comprehensive (loss)/profit attributable to:</b>				
Equity holders of the Company	<u>(2,815)</u>	<u>5,074</u>	<u>3,159</u>	<u>2,522</u>
<b>(Loss)/earnings per share attributable to equity holders:</b>				
Basic, for the period (Sen)	(7.02)	12.65	7.88	6.29
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 31/01/2020 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	25,011	23,136
Right-of-use assets	15,354	-
	40,365	23,136
<b>Current Assets</b>		
Biological assets	275	240
Inventories	27,740	27,885
Trade and other receivables	41,433	6,913
Cash and bank balances	33,293	39,376
Tax recoverable	689	1,206
	103,430	75,620
<b>TOTAL ASSETS</b>	143,795	98,756
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	40,104	40,104
Retained earnings	12,129	8,970
<b>Total Equity</b>	52,233	49,074
<b>Non-Current Liabilities</b>		
Deferred tax liabilities	1,703	1,753
Lease liabilities	14,298	-
	16,001	1,753
<b>Current Liabilities</b>		
Loans and borrowings	61,096	36,420
Trade and other payables	13,039	11,344
Derivative	10	24
Lease liabilities	1,416	-
Income tax payable	-	141
	75,561	47,929
<b>TOTAL LIABILITIES</b>	91,562	49,682
<b>TOTAL EQUITY &amp; LIABILITIES</b>	143,795	98,756
<b>NET ASSETS PER SHARE (SEN)</b>	130.27	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

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(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	-	3,159	3,159
<b>Closing balance at 31 January 2020</b>	<u>40,104</u>	<u>12,129</u>	<u>52,233</u>
<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>	<u>40,104</u>	<u>8,970</u>	<u>49,074</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 2019 and the accompanying explanatory notes attached to the interim financial statements.*

# TECK GUAN PERDANA BERHAD

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(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	<b>Current Year To Date 31/01/2020 RM'000</b>	<b>Preceding Year Corresponding Period 31/01/2019 RM'000</b>
<b>Operating activities</b>		
Profit before taxation	4,561	3,924
<u>Adjustments for:</u>		
Amortisation of biological assets	339	344
Gain on disposal of property, plant and equipment	(135)	-
Depreciation of property, plant and equipment	2,956	1,255
Property, plant and equipment written off	3	-
Net fair value (gain)/loss on derivatives	(14)	180
Unrealised loss/(gain) on foreign exchange	300	(115)
Net fair value gain on biological assets	(35)	-
Impairment for slow-moving inventories	-	63
Interest income	(574)	(613)
Interest expense	1,778	1,549
Total adjustments	<u>4,618</u>	<u>2,663</u>
<b>Operating cash flows before changes in working capital</b>	9,179	6,587
<u>Changes in working capital:</u>		
Inventories	145	20,043
Trade and other receivables	(34,874)	4,617
Trade and other payables	1,748	(8,982)
Total changes in working capital	<u>(32,981)</u>	<u>15,678</u>
Cash flows (used in)/generated from operations	(23,802)	22,265
Interest paid	(1,778)	(1,549)
Interest received	574	613
Income tax paid	(2,300)	(2,432)
Income tax refunded	1,223	-
<b>Net cash flows (used in)/generated from operating activities</b>	<u>(26,083)</u>	<u>18,897</u>

# TECK GUAN PERDANA BERHAD

(Company No. 307097-A)

(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	<b>Current Year To Date 31/01/2020 RM'000</b>	<b>Preceding Year Corresponding Period 31/01/2019 RM'000</b>
<b>Investing activity</b>		
Purchase of property, plant and equipment	(3,618)	(680)
Proceeds from disposal of property, plant and equipment	287	-
<b>Net cash flows used in investing activity</b>	<u>(3,331)</u>	<u>(680)</u>
<b>Financing activities</b>		
Drawdown of letter of credits	92,024	34,882
Repayment of letter of credits	(70,197)	(40,973)
Proceeds from bankers' acceptances	101,105	167,008
Repayment of bankers' acceptances	(98,223)	(192,957)
Repayment of lease liabilities	(1,346)	-
<b>Net cash flows generated from/(used in) financing activities</b>	<u>23,363</u>	<u>(32,040)</u>
<b>Net decrease in cash and cash equivalents</b>	<u>(6,051)</u>	<u>(13,823)</u>
Effect of exchange rate changes on cash and cash equivalents	1	153
<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>32,926</u>	<u>38,976</u>
	<b>As At 31/01/2020</b>	<b>As At 31/01/2019</b>
*Cash and cash equivalents at end of the year consists of:		
Cash and bank balances	33,293	39,376
Bank overdrafts	(367)	(400)
	<u>32,926</u>	<u>38,976</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)  
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## 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	-	17,060	17,060
<b>Equity</b>			
Retained earnings	8,970	(4,603)	4,367
<b>Non-Current Liability</b>			
Lease Liabilities	-	19,496	19,496
<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 January 2020 is set out below:

	Palm Oil Products RM'000	Cocoa Products RM'000	Consolidated RM'000
<b>Revenue</b>	263,331	10,321	273,652
<b>Results</b>			
Segment results	6,117	1,333	7,450
Unallocated corporate expenses			(1,111)
Finance cost			(1,778)
Profit before tax			<u>4,561</u>
<b>Assets</b>			
Segment assets	128,057	15,549	143,606
Unallocated assets			189
			<u>143,795</u>
<b>Liabilities</b>			
Segment liabilities	90,920	249	91,169
Unallocated liabilities			393
			<u>91,562</u>
<b>Other information</b>			
Capital expenditure	3,617	1	3,618
Depreciation	2,755	201	2,956
Amortisation	339	-	339

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

### **Palm Oil Products**

The palm oil products segment remained the Group's main source of revenue, which contributed 96.74% of the revenue of the Group in the current quarter.

For the quarter under review, revenue for this segment decreased to RM94.13 million from RM94.71 million in the preceding year corresponding quarter. The decrease was mainly attributed to the slight decrease in both sales volume and selling price.

Palm oil products segment has recorded an operating loss of RM2.01 million as compared to operating profit of RM7.10 million in the preceding year corresponding quarter. The decrease was primarily attributed to a decrease in operating margin.

### **Cocoa Products**

Cocoa products segment contributed 3.26% 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 January 2020.

## **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:

	12 months ended 31 January 2020 RM'000
Purchase of palm kernel	42,976
Purchase of palm oil related products	13,710
Sale of fresh fruit bunches	6,015
Purchase of fertilizers, chemicals, etc.	2,197
Sale of cocoa powder	475
Rental on factory building and infrastructures	2,308
Sale of chocolate products	1,814

#### 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 (4th quarter)		Changes  %	CUMULATIVE PERIOD		Changes  %
	Current Year Quarter 31/01/2020 RM'000	Preceding Year Corresponding Quarter 31/01/2019 RM'000		Current Year Todate 31/01/2020 RM'000	Preceding Year Corresponding Period 31/01/2019 RM'000	
	Revenue	97,311		98,526	-1%	
Gross profit	5,098	12,086	-58%	22,867	19,070	20%
Operating (loss)/profit	(1,979)	7,110	-128%	5,765	4,860	-19%
(Loss)/profit before tax	(2,945)	6,863	-143%	4,561	3,924	-16%
(Loss)/profit net of tax	(2,815)	5,074	-155%	3,159	2,522	-25%
(Loss)/profit attributable to ordinary equity holders of the Parent	(2,815)	5,074	-155%	3,159	2,522	-25%

For the current quarter under review, revenue for the Group decreased slightly by 1% from RM98.53 million to RM97.31 million as compared with preceding year corresponding quarter. The decrease was mainly attributed to the decrease in both sales volume and selling price. The Group turned from an operating profit of RM7.11 million to an operating loss of RM1.98 compared with the preceding year corresponding quarter, the decrease was mainly attributed to the decrease in operating margin.

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

	Current Quarter  31/01/2020 RM'000	Immediate Preceding Quarter  31/10/2019 RM'000	Changes   %
Revenue	97,311	45,255	115%
Gross profit	5,098	5,259	-3%
Operating (loss)/profit	(1,979)	2,427	-182%
(Loss)/profit before tax	(2,945)	2,325	-227%
(Loss)/profit net of tax	(2,815)	1,827	-254%
(Loss)/profit attributable to ordinary equity holders of the Parent	(2,815)	1,827	-254%

The Group registered a loss before tax of RM2.95 million as compared with a profit before tax of RM2.33 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

Despite the challenging environment in the financial year ended 31 January 2020 the Group has outperformed the financial results against the preceding year 2019 amid influencing external factors exerted on the palm related products. However for the forthcoming year the palm oil market is expected to remain volatile and vulnerable to fluctuating global economy coupled with the recent outbreak of COVID-19 pandemic.

Nonetheless 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 so as to achieve sustainable growth.

## 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 31/01/2020 RM'000	Year-to-date 31/01/2020 RM'000
Interest Income	(132)	(574)
Interest Expenses	1,098	1,778
Rental Income	(44)	(174)
Depreciation and amortisation	557	3,295
Net foreign exchange (gain)/loss	208	260
Rental of premises	12	46
Rental of equipment	24	96

## 21. Taxation

	<b>Current Quarter 31/01/2020 RM'000</b>	<b>Year-To- Date 31/01/2020 RM'000</b>
Taxation for the current period	(159)	1,452
Deferred taxation for the current period	29	(50)
	<u>(130)</u>	<u>1,402</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 31/01/2020 RM'000	As at 31/01/2019 RM'000
<b>Short term borrowings:</b>		
<b>Secured</b>		
Bankers' acceptances	38,902	36,020
	60,729	36,020
<b>Unsecured</b>		
Bank overdrafts	367	400
<b>Total</b>	61,096	36,420

## 26. Derivatives

Type of derivative	Contract/ notional amount as at 31/01/2020 RM'000	Fair value liabilities as at 31/01/2020 RM'000
<b>Non-hedging derivatives</b>		
Forward currency contracts - Less than 1 year	3,407	(10)

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	Total RM'000
Trade and other receivables	37,965	37,965
Cash and bank balances	8,726	8,726
Total	46,691	46,691

## 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 31/01/2020	Preceding Year Corresponding Quarter 31/01/2019	Current Year To Date 31/01/2020	Preceding Year Corresponding Period 31/01/2019
(Loss)/profit for the period (RM'000)	(2,815)	5,074	3,159	2,552
Weighted average number of ordinary shares in issue ('000)	40,097	40,097	40,097	40,097
Basic (loss)/earnings per share (Sen)	<u>(7.02)</u>	<u>12.65</u>	<u>7.88</u>	<u>6.29</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 24 March 2020.