



TECK GUAN PERDANA BERHAD

199401021418 (307097 - A)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 JANUARY 2021

TECK GUAN PERDANA BERHAD

199401021418 (307097-A)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL PERIOD (4th quarter)		CUMULATIVE PERIOD	
	Current Year Quarter 31/01/2021 RM'000	Preceding Year Corresponding Quarter 31/01/2020 RM'000	Current Year ToDate 31/01/2021 RM'000	Preceding Year Corresponding Period 31/01/2020 RM'000
Revenue	75,415	97,311	460,871	273,652
Cost of sales	(70,743)	(97,904)	(444,167)	(263,021)
Gross profit/(loss)	4,672	(593)	16,704	10,631
Other operating (expenses)/income	(1,063)	128	19	838
Administrative expenses	(1,428)	(1,514)	(4,844)	(5,704)
Operating profit/(loss)	2,181	(1,979)	11,879	5,765
Interest income	63	132	375	574
Finance costs	(422)	(1,098)	(1,452)	(1,778)
Profit/(loss) before tax	1,822	(2,945)	10,802	4,561
Taxation	(622)	130	(2,626)	(1,402)
Profit/(loss) net of tax	1,200	(2,815)	8,176	3,159
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income/(loss) for the period	1,200	(2,815)	8,176	3,159

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	INDIVIDUAL PERIOD (4th quarter)		CUMULATIVE PERIOD	
	Current Year Quarter 31/01/2021 RM'000	Preceding Year Corresponding Quarter 31/01/2020 RM'000	Current Year ToDate 31/01/2021 RM'000	Preceding Year Corresponding Period 31/01/2020 RM'000
Profit/(loss) attributable to:				
Owners of the Company	<u>1,200</u>	<u>(2,815)</u>	<u>8,176</u>	<u>3,159</u>
Total comprehensive income/(loss) attributable to:				
Owners of the Company	<u>1,200</u>	<u>(2,815)</u>	<u>8,176</u>	<u>3,159</u>
Earnings/(loss) per share attributable to owners of the Company:				
Basic, for the period (Sen)	2.99	(7.02)	20.39	7.88
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 2020 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As At End Of Current Quarter 31/01/2021 RM'000	As At Preceding Financial Year End 31/01/2020 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	37,415	25,011
Right-of-use assets	13,648	15,354
	51,063	40,365
Current Assets		
Biological assets	294	275
Inventories	26,089	27,740
Trade and other receivables	8,320	41,433
Cash and bank balances	51,859	33,293
Tax recoverable	758	689
	87,320	103,430
TOTAL ASSETS	138,383	143,795
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	40,104	40,104
Retained earnings	20,305	12,129
Total Equity	60,409	52,233
Non-Current Liabilities		
Term Loan	9,550	-
Deferred tax liabilities	1,930	1,703
Lease liabilities	12,809	14,297
	24,289	16,000
Current Liabilities		
Loans and borrowings	37,685	61,096
Trade and other payables	14,144	13,040
Derivative	367	10
Lease liabilities	1,489	1,416
	53,685	75,562
TOTAL LIABILITIES	77,974	91,562
TOTAL EQUITY & LIABILITIES	138,383	143,795
NET ASSETS PER SHARE (SEN)	150.66	130.27

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 2020 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 Company →		
	Non-distributable	Distributable	
	Share Capital RM'000	Retained Earnings RM'000	Equity, Total RM'000
Opening balance at 1 February 2020	40,104	12,129	52,233
Total comprehensive income for the year	-	8,176	8,176
Closing balance at 31 January 2021	40,104	20,305	60,409
Opening balance at 1 February 2019	40,104	8,970	49,074
Total comprehensive income for the year	-	3,159	3,159
Closing balance at 31 January 2020	40,104	12,129	52,233

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 2020 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current Year To Date 31/01/2021 RM'000	Preceding Year Corresponding Period 31/01/2020 RM'000
Operating activities		
Profit before taxation	10,802	4,561
<u>Adjustments for:</u>		
Amortisation of biological assets	337	339
Gain on disposal of property, plant and equipment	(20)	(135)
Depreciation of property, plant and equipment	3,057	2,956
Property, plant and equipment written off	-	2
Net fair value gain on derivatives	357	(14)
Unrealised loss on foreign exchange	206	300
Net fair value gain on biological assets	(19)	(35)
Interest income	(375)	(574)
Interest expense	1,452	1,778
Total adjustments	<u>4,995</u>	<u>4,724</u>
Operating cash flows before changes in working capital	15,797	9,285
<u>Changes in working capital:</u>		
Inventories	1,651	38
Trade and other receivables	33,082	(34,874)
Trade and other payables	1,040	1,749
Total changes in working capital	<u>35,773</u>	<u>(33,087)</u>
Cash flows generated from operations	51,570	(23,802)
Interest paid	(1,452)	(1,778)
Interest received	375	574
Income tax paid	(2,468)	(2,299)
Income tax refunded	-	1,223
Net cash flows generated from operating activities	<u>48,025</u>	<u>(26,082)</u>

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	Current Year To Date 31/01/2021 RM'000	Preceding Year Corresponding Period 31/01/2020 RM'000
Investing activities		
Purchase of property, plant and equipment	(13,361)	(3,618)
Plantation development expenditure	(731)	-
Proceeds from disposal of property, plant and equipment	20	287
Net cash flows used in investing activities	<u>(14,072)</u>	<u>(3,331)</u>
Financing activities		
Drawdown of term loan	9,550	-
Drawdown of letter of credits	198,573	92,024
Repayment of letter of credits	(214,149)	(70,197)
Proceeds from bankers' acceptances	105,704	101,105
Repayment of bankers' acceptances	(113,591)	(98,223)
Repayment of lease liabilities	(1,416)	(1,347)
Net cash flows used in financing activities	<u>(15,329)</u>	<u>23,362</u>
Net increase/(decrease) in cash and cash equivalents	<u>18,624</u>	<u>(6,051)</u>
Effect of exchange rate changes on cash and cash equivalents	(110)	1
Cash and cash equivalents at beginning of the year	32,926	38,976
Cash and cash equivalents at end of the year	<u>51,440</u>	<u>32,926</u>
	As At 31/01/2021	As At 31/01/2020
*Cash and cash equivalents at end of the year consists of:		
Cash and bank balances	51,859	33,293
Bank overdrafts	(419)	(367)
	<u>51,440</u>	<u>32,926</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 2020 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 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 2020. 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 2020.

2. Accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 31 January 2020 except for the following Amendments to MFRSs during the current financial period:

Description	Effective for annual periods beginning on or after
Revised Conceptual Framework for Financial Reporting	1 January 2020
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 101 and MFRS 108: Definition of Material	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform	1 January 2020

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.

2. Accounting policies (continued)

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

Description	Effective for annual periods beginning on or after
MFRS 17: Insurance Contracts	1 January 2021
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2022
Annual Improvements to MFRS Standards 2018-2020	1 January 2022
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Amendments to MFRS 10 and MFRS128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The Group will apply the above MFRS and Amendments to MFRSs that are applicable when they become effective.

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 2021 is set out below:

	Palm Oil Products RM'000	Cocoa Products RM'000	Consolidated RM'000
Revenue	447,417	13,454	460,871
Results			
Segment results	11,676	1,626	13,302
Unallocated corporate expenses			(1,048)
Finance cost			(1,452)
Profit before tax			<u>10,802</u>
Assets			
Segment assets	120,775	17,420	138,195
Unallocated assets			188
			<u>138,383</u>
Liabilities			
Segment liabilities	76,903	212	77,115
Unallocated liabilities			859
			<u>77,974</u>
Other information			
Capital expenditure	13,262	99	13,361
Depreciation	2,872	185	3,057
Amortisation	337	-	337

Palm Oil Products

The palm oil products segment remained the Group's main source of revenue, which contributed 94.39% of the revenue of the Group in the current quarter.

For the quarter under review, revenue for this segment decreased to RM71.19 million from RM94.13 million in the preceding year corresponding quarter. The decrease was mainly attributed to the decrease in sales volume.

Palm oil products segment has recorded an operating profit of RM2.05 million as compared to operating loss of RM2.01 million in the preceding year corresponding quarter. The increase was primarily attributed to an increase in operating margin.

Cocoa Products

Cocoa products segment contributed 5.61% to the revenue of the Group as compared to 3.27% 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 2021.

11. Discontinued operation

There was no discontinued operation during the quarter ended 31 January 2021.

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 2021 RM'000
Purchase of palm kernel	57,777
Purchase of palm oil related products	6,563
Purchase of fertilizers, chemicals, etc.	1,527
Rental on factory building and infrastructures	2,304
Sales of crude palm kernel oil	152,061
Sales of fresh fruit bunches	5,947
Sales of palm kernel expeller	116
Sales of cocoa powder	524
Sales of chocolate products	1,505

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 31/01/2021 RM'000	Preceding Year Corresponding Quarter 31/01/2020 RM'000		Current Year Todate 31/01/2021 RM'000	Preceding Year Corresponding Period 31/01/2020 RM'000	
			%		%	
Revenue	75,415	97,311	-23%	460,871	273,652	68%
Gross profit/(loss)	4,672	(593)	-888%	16,704	10,631	57%
Operating profit/(loss)	2,181	(1,979)	210%	11,879	5,765	106%
Profit/(loss) before tax	1,822	(2,945)	162%	10,802	4,561	137%
Profit/(loss) net of tax	1,200	(2,815)	143%	8,176	3,159	159%
Profit attributable to ordinary equity holders of the Parent	1,200	(2,815)	143%	8,176	3,159	159%

For the current quarter under review, revenue for the Group decreased by 23% from RM97.31 million to RM75.42 million as compared with preceding year corresponding quarter. The decrease was mainly attributed to the decrease in sale volume. However, the Group turned from an operating loss of RM1.98 million to an operating profit of RM2.18 million compared with 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 31/01/2021 RM'000	Immediate Preceding Quarter 31/10/2020 RM'000	Changes %
Revenue	75,415	139,666	-46%
Gross profit	4,672	8,346	-44%
Operating profit	2,181	728	200%
Profit before tax	1,822	453	302%
Profit net of tax	1,200	256	369%
Profit attributable to ordinary equity holders of the Parent	1,200	256	369%

The Group registered a profit before tax of RM1.82 million as compared with RM0.45 million in the immediate preceding quarter. The increase was primarily attributed to the increase in operating margin in the current quarter.

18. Next Year Prospects

Despite the unprecedented challenging environment in the financial year ended 31 January 2021 the Group outperformed the financial results against the preceding year 2020 amid both influencing internal and external factors exerted on the palm related products. However moving into forthcoming year the palm oil prices are expected to remain supported whilst the global economy continues to strive with the resurgence of the Covid-19 infections which caused massive socioeconomic threats and impacts on health and wellbeing of families and surrounding communities.

Barring further unforeseen circumstances, the Management is cautiously optimistic on the long term prospects of the palm-based industry and will continue to escalate its efforts and aggressively focus on enhancing productivity jointly with operating cost optimisation to mitigate the negative impact on its profitability and liquidity so as to achieve a sustainable future.

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 31/01/2021 RM'000	Year-to-date 31/01/2021 RM'000
Interest Income	(63)	(375)
Interest Expenses	422	1,452
Rental Income	(47)	(179)
Depreciation and amortisation	896	3,394
Net loss/(gain) on foreign exchange		
- realised	142	(50)
- unrealised	229	206
Net fair value (gain)/loss on commodity futures contracts		
- realised	(109)	(109)
- unrealised	875	875
Rental of premises	12	46
Rental of equipment	23	92

21. Taxation

	Current Quarter 31/01/2021 RM'000	Year-To- Date 31/01/2021 RM'000
Taxation for the current period	469	2,398
Deferred taxation for the current period	153	227
	<u>622</u>	<u>2,626</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. Loans and borrowings

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

	As at 31/01/2021 RM'000	As at 31/01/2020 RM'000
Current		
Secured:		
Bankers' acceptances	31,015	38,902
Letter of credit	6,251	21,827
Lease liabilities	1,489	1,416
	38,755	62,145
Unsecured:		
Bank overdrafts	419	367
	39,174	62,512
Non-current		
Secured:		
Term loan	9,550	-
Lease liabilities	12,809	14,297
	22,359	14,297
Total	61,533	76,809

26. Derivatives

Type of derivative	Contract/ notional amount as at 31/01/2021 RM'000	Fair value assets/(liabilities) as at 31/01/2021 RM'000
Non-hedging derivatives		
Forward currency contracts - Less than 1 year	1,403	8
Commodity futures contracts - Less than 1 year	31,763	(375)
	33,166	(367)

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.

The commodity futures contracts are entered into with the objective of managing and hedging the Group's exposure to the adverse price movements in the CPO commodities.

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	5,614	14	5,628
Cash and bank balances	10,416	-	10,416
Trade and other payables	(73)	-	(73)
Loans and borrowings	(6,251)	-	(6,251)
Total	9,706	14	9,720

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 31/01/2021	Preceding Year Corresponding Quarter 31/01/2020	Current Year To Date 31/01/2021	Preceding Year Corresponding Period 31/01/2020
Profit/(loss) for the period (RM'000)	1,200	(2,815)	8,176	3,159
Weighted average number of ordinary shares in issue ('000)	40,097	40,097	40,097	40,097
Basic earnings/(loss) per share (Sen)	<u>2.99</u>	<u>(7.02)</u>	<u>20.39</u>	<u>7.88</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 25 March 2021.