



TECK GUAN PERDANA BERHAD

199401021418 (307097 - A)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 APRIL 2021

TECK GUAN PERDANA BERHAD

199401021418 (307097-A)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL PERIOD (1st quarter)		CUMULATIVE PERIOD	
	Current Year Quarter 30/04/2021 RM'000	Preceding Year Corresponding Quarter 30/04/2020 RM'000	Current Year ToDate 30/04/2021 RM'000	Preceding Year Corresponding Period 30/04/2020 RM'000
Revenue	55,593	64,741	55,593	64,741
Cost of sales	(54,220)	(59,312)	(54,220)	(59,312)
Gross profit	1,373	5,429	1,373	5,429
Other operating (expenses)/income	(1,152)	1,200	(1,152)	1,200
Administrative expenses	(1,147)	(1,056)	(1,147)	(1,056)
Operating (loss)/profit	(926)	5,573	(926)	5,573
Interest income	65	134	65	134
Finance costs	(429)	(291)	(429)	(291)
(Loss)/profit before tax	(1,290)	5,416	(1,290)	5,416
Taxation	(240)	(1,124)	(240)	(1,124)
(Loss)/profit net of tax	(1,530)	4,292	(1,530)	4,292
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive (loss)/income for the period	(1,530)	4,292	(1,530)	4,292

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

	INDIVIDUAL PERIOD (1st quarter)		CUMULATIVE PERIOD	
	Current Year Quarter 30/04/2021 RM'000	Preceding Year Corresponding Quarter 30/04/2020 RM'000	Current Year Todate 30/04/2021 RM'000	Preceding Year Corresponding Period 30/04/2020 RM'000
(Loss)/profit attributable to:				
Owners of the Company	<u>(1,530)</u>	<u>4,292</u>	<u>(1,530)</u>	<u>4,292</u>
Total comprehensive (loss)/income attributable to:				
Owners of the Company	<u>(1,530)</u>	<u>4,292</u>	<u>(1,530)</u>	<u>4,292</u>
(Loss)/earnings per share attributable to owners of the Company:				
Basic, for the period (Sen)	(3.82)	10.70	(3.82)	10.70
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 2021 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 30/04/2021 RM'000	As At Preceding Financial Year End 31/01/2021 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	36,924	37,415
Right-of-use assets	13,221	13,648
	<u>50,145</u>	<u>51,063</u>
Current Assets		
Biological assets	519	294
Inventories	61,794	26,089
Trade and other receivables	24,452	7,664
Cash and bank balances	11,432	51,977
Derivatives	22	-
Tax recoverable	965	570
	<u>99,184</u>	<u>86,594</u>
TOTAL ASSETS	<u><u>149,329</u></u>	<u><u>137,657</u></u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	40,104	40,104
Retained earnings	18,586	20,116
Total Equity	<u>58,690</u>	<u>60,220</u>
Non-Current Liabilities		
Term Loan	9,550	9,550
Deferred tax liabilities	2,028	1,931
Lease liabilities	12,425	12,809
	<u>24,003</u>	<u>24,290</u>
Current Liabilities		
Loans and borrowings	35,965	37,685
Trade and other payables	29,163	13,107
Derivative	-	866
Lease liabilities	1,508	1,489
	<u>66,636</u>	<u>53,147</u>
TOTAL LIABILITIES	<u>90,639</u>	<u>77,437</u>
TOTAL EQUITY & LIABILITIES	<u><u>149,329</u></u>	<u><u>137,657</u></u>
NET ASSETS PER SHARE (SEN)	146.37	150.19

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 2021 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 →		Equity, Total RM'000
	Non-distributable	Distributable	
	Share Capital RM'000	Retained Earnings RM'000	
Opening balance at 1 February 2021	40,104	20,116	60,220
Total comprehensive loss for the period	-	(1,530)	(1,530)
Closing balance at 30 April 2021	<u>40,104</u>	<u>18,586</u>	<u>58,690</u>
Opening balance at 1 February 2020	40,104	12,129	52,233
Total comprehensive income for the year	-	7,987	7,987
Closing balance at 31 January 2021	<u>40,104</u>	<u>20,116</u>	<u>60,220</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 2021 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 30/04/2021 RM'000	Preceding Year Corresponding Period 30/04/2020 RM'000
Operating activities		
(Loss)/profit before taxation	(1,290)	5,416
<u>Adjustments for:</u>		
Amortisation of biological assets	84	84
Gain on disposal of property, plant and equipment	(1)	-
Depreciation of property, plant and equipment	864	738
Net change in fair value on derivatives	(889)	(32)
Unrealised gain on foreign exchange	(19)	(270)
Net fair value gain on biological assets	(224)	1
Interest income	(65)	(134)
Interest expense	429	291
Total adjustments	<u>179</u>	<u>678</u>
Operating cash flows before changes in working capital	(1,111)	6,094
<u>Changes in working capital:</u>		
Inventories	(35,705)	9,262
Trade and other receivables	(16,896)	2,162
Trade and other payables	16,159	7,715
Total changes in working capital	<u>(36,442)</u>	<u>19,139</u>
Cash flows (used in)/generated from operations	(37,553)	25,233
Interest paid	(429)	(291)
Interest received	65	134
Income tax paid	(538)	(453)
Net cash flows (used in)/generated from operating activities	<u>(38,455)</u>	<u>24,623</u>

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	Current Year To Date 30/04/2021 RM'000	Preceding Year Corresponding Period 30/04/2020 RM'000
Investing activities		
Purchase of property, plant and equipment	(31)	(2)
Proceeds from disposal of property, plant and equipment	1	-
Net cash flows used in investing activities	<u>(30)</u>	<u>(2)</u>
Financing activities		
Drawdown of letter of credits	11,145	-
Repayment of letter of credits	(13,144)	(21,827)
Proceeds from bankers' acceptances	26,273	11,415
Repayment of bankers' acceptances	(25,942)	(22,492)
Repayment of lease liabilities	(365)	(347)
Net cash flows used in financing activities	<u>(2,033)</u>	<u>(33,251)</u>
Net decrease in cash and cash equivalents	<u>(40,518)</u>	<u>(8,630)</u>
Effect of exchange rate changes on cash and cash equivalents	24	282
Cash and cash equivalents at beginning of the period	51,558	32,926
Cash and cash equivalents at end of the period	<u>11,064</u>	<u>24,578</u>
	As At 30/04/2021	As At 30/04/2020
*Cash and cash equivalents at end of the period consists of:		
Cash and bank balances	11,432	24,933
Bank overdrafts	(368)	(355)
	<u>11,064</u>	<u>24,578</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 2021 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 2021. 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 2021.

2. Accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 31 January 2021 except for the following Amendments to MFRSs during the current financial period:

Description	Effective for annual periods beginning on or after
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform-Phase 2	1 January 2021

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.

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
Annual Improvements to MFRS Standards 2018–2020	
(i) Amendments to MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards	1 January 2022
(ii) Amendments to MFRS 9: Financial Instruments	1 January 2022
(iii) Amendments to MFRS 16: Illustrative Example 13, Leases	1 January 2022
(iv) Amendments to MFRS 141: Agriculture	1 January 2022

2. Accounting policies (continued)

Description	Effective for annual periods beginning on or after
Amendments to MFRS 3: Business Combinations	
- 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
MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-Current	1 January 2023
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 30 April 2021 is set out below:

	Palm Oil Products RM'000	Cocoa Products RM'000	Consolidated RM'000
Revenue	53,448	2,145	55,593
Results			
Segment results	(860)	269	(591)
Unallocated corporate expenses			(270)
Finance cost			(429)
Loss before tax			<u>(1,290)</u>
Assets			
Segment assets	132,616	16,308	148,924
Unallocated assets			405
			<u>149,329</u>
Liabilities			
Segment liabilities	89,973	242	90,215
Unallocated liabilities			424
			<u>90,639</u>
Other information			
Capital expenditure	8	23	31
Depreciation	819	45	864
Amortisation	84	-	84

Palm Oil Products

The palm oil products segment remained the Group's main source of revenue, which contributed 96.14% of the revenue of the Group in the current quarter.

For the quarter under review, revenue for this segment decreased to RM53.45 million from RM61.18 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 loss of RM0.86 million as compared to operating profit of RM5.46 million in the preceding year corresponding quarter. The decrease was primarily attributed to a decrease in operating margin and net fair value loss on commodity futures contracts amounted to RM1.72 million.

Cocoa Products

Cocoa products segment contributed 3.86% to the revenue of the Group as compared to 5.49% 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 30 April 2021.

11. Discontinued operation

There was no discontinued operation during the quarter ended 30 April 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:

	3 months ended 30 April 2021 RM'000
Purchase of palm kernel	26,573
Purchase of palm oil related products	1,817
Purchase of fertilizers, chemicals, etc.	513
Rental on factory building and infrastructures	576
Sales of crude palm kernel oil	20,358
Sales of fresh fruit bunches	1,603
Sales of palm kernel expeller	50
Sales of cocoa powder	183
Sales of chocolate products	434

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 (1st quarter)		Changes %	CUMULATIVE PERIOD		Changes %
	Current Year Quarter 30/04/2021 RM'000	Preceding Year Corresponding Quarter 30/04/2020 RM'000		Current Year To date 30/04/2021 RM'000	Preceding Year Corresponding Period 30/04/2020 RM'000	
	Revenue	55,593		64,741	-14%	
Gross profit	1,373	5,429	-75%	1,373	5,429	-75%
Operating (loss)/profit	(926)	5,573	-117%	(926)	5,573	-117%
(Loss)/profit before tax	(1,290)	5,416	-124%	(1,290)	5,416	-124%
(Loss)/profit net of tax	(1,530)	4,292	-136%	(1,530)	4,292	-136%
(Loss)/profit attributable to ordinary equity holders of the Parent	(1,530)	4,292	-136%	(1,530)	4,292	-136%

For the current quarter under review, revenue for the Group decreased by 14% from RM64.74 million to RM55.59 million as compared with preceding year corresponding quarter. The decrease was mainly attributed to the decrease in sale volume. Furthermore, the Group turned from an operating profit of RM5.57 million to an operating loss of RM0.93 million compared with preceding year corresponding quarter, the decrease was mainly attributed to the decrease in operating margin and net fair value loss on commodity futures contracts amounted to RM1.72 million.

17. Comment On Material Changes In Profit Before Tax

	Current Quarter 30/04/2021 RM'000	Immediate Preceding Quarter 31/01/2021 RM'000	Changes %
Revenue	55,593	75,415	-26%
Gross profit	1,373	5,113	-73%
Operating (loss)/profit	(926)	2,622	-135%
(Loss)/profit before tax	(1,290)	1,822	-171%
(Loss)/profit net of tax	(1,530)	1,012	-251%
(Loss)/profit attributable to ordinary equity holders of the Parent	(1,530)	1,012	-251%

The Group registered a loss before tax of RM0.93 million as compared with a profit before tax of RM2.62 million in the immediate preceding quarter. The decrease was primarily attributed to the decrease in operating margin and net fair value loss on commodity futures contracts amounted to RM1.72 million in the current quarter.

18. Current Year Prospects

Amidst a difficult operating environment, the palm oil market for the coming quarters will be challenging with relentlessly vulnerable commodity prices coupled with volatility in foreign exchange and uncertainty of global market demand. Nevertheless, Management is vigilantly optimistic on the long term prospects of the palm-based business and will continue aggressively to focus on maximising productivity and operational efficiency.

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 30/04/2021 RM'000	Year-to-date 30/04/2021 RM'000
Interest Income	(65)	(65)
Interest Expenses	429	429
Rental Income	(66)	(66)
Depreciation and amortisation	948	948
Net gain on foreign exchange		
- realised	(116)	(116)
- unrealised	(19)	(19)
Net fair value loss on commodity futures contracts		
- realised	1,720	1,720
Rental of premises	11	11
Rental of equipment	23	23

21. Taxation

	Current Quarter 30/04/2021 RM'000	Year-To- Date 30/04/2021 RM'000
Taxation for the current period	143	143
Deferred taxation for the current period	97	97
	<u>240</u>	<u>240</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 30/04/2021 RM'000	As at 30/04/2020 RM'000
Current Secured:		
Bankers' acceptances	31,346	27,825
Letter of credit	4,251	-
Lease liabilities	1,508	1,434
	37,105	29,259
Unsecured:		
Bank overdrafts	368	355
	37,473	29,614
Non-current Secured:		
Term loan	9,550	-
Lease liabilities	12,425	13,932
	21,975	13,932
Total	59,448	43,546

26. Derivatives

Type of derivative	Contract/ notional amount as at 30/04/2021 RM'000	Fair value assets/(liabilities) as at 30/04/2021 RM'000
Non-hedging derivatives		
Forward currency contracts		
- Less than 1 year	3,447	22
	3,447	22

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	20,143	14	20,157
Cash and bank balances	1,556	-	1,556
Trade and other payables	(11,496)	-	(11,496)
Loans and borrowings	(4,251)	-	(4,251)
Total	5,952	14	5,966

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 30/04/2021	Preceding Year Corresponding Quarter 30/04/2020	Current Year To Date 30/04/2021	Preceding Year Corresponding Period 30/04/2020
(Loss)/profit for the period (RM'000)	(1,530)	4,292	(1,530)	4,292
Weighted average number of ordinary shares in issue ('000)	40,097	40,097	40,097	40,097
Basic (loss)/earnings per share (Sen)	<u>(3.82)</u>	<u>10.70</u>	<u>(3.82)</u>	<u>10.70</u>

Basic (loss)/earnings per ordinary share is calculated by dividing the (loss)/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 June 2021.