



199401021418 (307097-A)

2024 ANNUAL REPORT

TECK GUAN PERDANA BERHAD



TABLE OF CONTENTS

- 2 Notice of Annual General Meeting
- 6 Statement Accompanying Notice of Annual General Meeting

CORPORATE INFORMATION

- 7 Corporate Information
- 8 5-Year Financial Highlights
- 9 Corporate Structure
- 10 Profiles of Directors and Key Senior Management

PERFORMANCE REVIEW

- 16 Chairman's Statement
- 18 Management Discussion & Analysis

CORPORATE GOVERNANCE

- 22 Corporate Governance Overview Statement
- 34 Nomination & Remuneration Committee Report
- 36 Audit & Risk Management Committee Report
- 40 Statement on Risk Management and Internal Control
- 42 Statement of Directors' Responsibilities
- 43 Additional Compliance Information
- 44 Sustainability Statement

OTHER INFORMATION

- 56 Analysis of Shareholdings
- 59 List of Properties
- 61 Financial Statements
- Proxy Form



NOTICE OF ANNUAL GENERAL MEETING

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirtieth Annual General Meeting of the Members of the Company will be held at the Xocolatt Hall, Ground Floor, Hotel Emas, Jalan Utara, 91000 Tawau, Sabah on Thursday, 27th June 2024 at 9.00 a.m. to transact the following:-

AGENDA

AS ORDINARY BUSINESS:-

1. To receive the Audited Financial Statements for the year ended 31 January 2024 together with the Reports of the Directors and Auditors thereon. **(Refer to Note 8)**
2. To approve a first and final single-tier dividend of 4.0 sen per ordinary share for the financial year ended 31 January 2024. **Resolution 1**
3. To approve the payment of Directors' fees not exceeding the amount RM54,000 and any benefits payable for the financial year ending 31 January 2025. **Resolution 2**
4. To re-elect Mr. Tham Vui Vun who retires by rotation as a Director of the Company pursuant to Article 91 of the Company's Constitution. **Resolution 3**
5. To re-elect Mr. Fung Hiuk Bing who retires by rotation as a Director of the Company pursuant to Article 91 of the Company's Constitution. **Resolution 4**
6. To re-appoint Messrs. PKF PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 5**

AS SPECIAL BUSINESS:-

To consider and, if thought fit, to pass the following resolutions with or without modification:-

7. **ORDINARY RESOLUTION**
Continuation in Office as Independent Non-Executive Directors
 - (i) "THAT approval be and is hereby given to Mr. Tham Vui Vun who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years and more than twelve (12) years to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next annual general meeting." **Resolution 6**
 - (ii) "THAT approval be and is hereby given to Mr. Wong Peng Mun who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years and more than twelve (12) years to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next annual general meeting." **Resolution 7**
 - (iii) "THAT approval be and is hereby to Mr. Fung Hiuk Bing who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next annual general meeting." **Resolution 8**

NOTICE OF ANNUAL GENERAL MEETING

8. ORDINARY RESOLUTION

Authority for Directors to Allot and Issue Shares

“THAT, subject always to the Companies Act 2016 (“the Act”), the Company’s Constitution and approvals of the relevant authorities, the Directors be and are hereby empowered pursuant to Sections 75 and 76 of the Act to allot and issue new ordinary shares in the Company, from time to time and upon such terms and conditions and for such purposes and to such person or persons whomsoever as the Directors may, in their absolute discretion deem fit and expedient in the interest of the Company, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being AND THAT the Directors be and are hereby empowered to obtain the approval for the listing and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad AND FURTHER THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting (“AGM”) of the Company, or at the expiry of the period within which the next AGM of the Company is required by law to be held, whichever is the earlier, unless such approval is revoked or varied by the Company at a general meeting.”

Resolution 9

9. ORDINARY RESOLUTION

Proposed Renewal of Shareholders’ Mandate for Existing Recurrent Related Party Transactions and Shareholders’ Mandate for Additional Recurrent Related Party Transactions

“THAT subject always to the Companies Act 2016 (“the Act”), the Company’s Constitution and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiaries to enter into the existing and additional recurrent related party transactions of a revenue or trading nature as set out in Sections 3.2(A) and 3.2(B) of the Circular to Shareholders dated 31 May 2024 with the related parties mentioned therein, provided that such transactions are necessary for the day-to-day operations and are carried out in the ordinary course of business on normal commercial terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company (“Shareholders’ Mandate”).

Resolution 10

THAT the Shareholders’ Mandate shall commence upon passing of this resolution and continue to be in force until:

- (i) the conclusion of the next annual general meeting (“AGM”) of the Company at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
- (ii) the expiration of the period within which the next AGM is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by resolution passed by the shareholders in general meeting;

whichever is the earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and do such acts and things to give full effect to the transactions contemplated and/or authorised by this resolution.”

NOTICE OF ANNUAL GENERAL MEETING

10. NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN THAT a first and final single-tier dividend of 4.0 sen per ordinary share for the financial year ended 31 January 2024, if approved, will be paid on 12 August 2024 to depositors registered in the Records of Depositors on 26 July 2024.

A depositor shall qualify for entitlement only in respect of:-

- (i) Shares transferred into the Depositor's Securities Accounts before 5.00 p.m. on 26 July 2024 in respect of transfer; and
- (ii) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

11. To transact any other business for which due notice shall have been given.

BY ORDER OF THE BOARD

JULIAN YEOH YUN KIAT (MIA 28007) / SSM PC No.: 201908004119

Company Secretary

Tawau, Sabah.

Dated this 31 May 2024

NOTES:-

1. A proxy may but need not be a member of the Company and there is no restriction as to the qualification of a proxy. Provided that, having appointed a proxy or an attorney to attend in his stead, if such member personally attends the meeting, his proxy or attorney shall be precluded from attending such meeting.
2. A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting and where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
3. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account) as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
4. If the appointor is a corporation, the proxy form must be executed under its Common Seal or under the hand of its attorney.
5. To be valid the duly completed proxy form must be deposited at the Registered Office of the Company at 318, Teck Guan Regency, Jalan St. Patrick, Off Jalan Belunu, 91000 Tawau, Sabah or electronically via email perdana@teckguan.com not less than ninety-six (96) hours before the time fixed for holding the Meeting.
6. Only members whose names appear in the Record of Depositors as at 20 June 2024, issued by Bursa Malaysia Depository Sdn. Bhd., will be entitled to attend and vote at the fully physical meeting or appoint proxy(ies) to attend and vote on their behalf.
7. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of Annual General Meeting ("AGM") will be put to vote by way of poll.

NOTICE OF ANNUAL GENERAL MEETING

NOTES:- (CONTINUED)

Explanatory Note on Ordinary Business

8. The audited financial statements are laid in accordance with Section 340(1)(a) of the Companies Act 2016 for discussion only under Agenda 1. It does not require shareholders' approval and hence, will not be put for voting.
9. Pursuant to Section 230(1) of the Companies Act 2016, the fees of the directors and any benefits payable to the directors shall be approved at a general meeting. The proposed Resolution 2 is to facilitate the payment of Directors' fees on a current financial year basis, calculated based on the current Board of Directors ("Board") size. In the event the proposed amount is insufficient (due to enlarged Board size), approval will be sought at the next AGM for additional fees to meet the shortfall.

Explanatory Notes on Special Business

10. Resolutions 6, 7 & 8

The proposed Resolutions 6, 7 & 8, if passed, will enable Mr. Tham Vui Vun, Mr. Wong Peng Mun and Mr. Fung Hiuk Bing respectively to continue to act as Independent Non-Executive Directors of the Company until the conclusion of the next AGM of the Company.

The Board holds the view that the following Independent Non-Executive Directors:

- (i) Mr. Tham Vui Vun who has served as an Independent Non-Executive Director of the Company for a tenure exceeding a cumulative term of more than nine (9) years;
- (ii) Mr. Wong Penn Mun who has served as an Independent Non-Executive Director of the Company for a tenure exceeding a cumulative term of more than nine (9) years; and
- (iii) Mr. Fung Hiuk Bing who has served as an Independent Non-Executive Director of the Company for a tenure exceeding a cumulative term of more than nine (9) years.

have remain objective and independent in carrying out their role and responsibility as members of the Board and Board Committees and the length of their service does not interfere with their ability and exercise of independent judgment as Independent Directors. Therefore, the Board has recommended that the approval of the shareholders be sought on a single tier voting basis for each of them to continue to act in the capacity as the Independent Non-Executive Director of the Company until the conclusion of the next AGM of the Company.

11. Resolution 9

The proposed Resolution 9 is to renew the general mandate obtained in the last AGM. As at the date of this Notice, no new shares in the Company were issued pursuant to the existing general mandate which will lapse at the conclusion of this forthcoming AGM.

This proposed resolution, if passed, would provide flexibility to the Directors to undertake fund raising activities, including but not limited to further placement of shares for the purpose of funding the Company's future investment, working capital and/or acquisition(s), by the issuance of new shares (other than bonus or rights issue) in the Company to such persons at any time as the Directors may deem fit, provided that the aggregate number of shares issued pursuant to the mandate does not exceed 10% of the total number of issued shares of the Company for the time being. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM or at the expiry of the period within which the next annual general meeting is required to be held after the approval was given, whichever is earlier.

NOTICE OF ANNUAL GENERAL MEETING

NOTES:- (CONTINUED)

12. Resolution 10

The proposed Resolution 10 is in relation to Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions and Shareholders' Mandate for Additional Recurrent Related Party Transactions which are necessary for the day-to-day operations of the Company. If approved by the shareholders, it will empower the Company to conduct transactions of revenue or trading nature with the parties related to the Company. Please refer to the Circular to Shareholders dated 31 May 2024 for more information.

Personal Data Privacy

13. By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company:

- (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes");
- (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and
- (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

1. No individual is seeking election as a Director at the forthcoming 30th Annual General Meeting of the Company.
2. The Company is seeking the shareholders' approval to renew the general mandate to issue shares in the Company pursuant to Sections 75 and 76 of the Companies Act 2016, as proposed under Resolution 9 in the Notice of AGM of the Company. Further details of the said mandate/resolution are contained in the Explanatory Note 11 to the Notice of AGM.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Tham Vui Yun	Chairman and Independent Non-Executive Director	Fung Hiuk Bing	Independent Non-Executive Director
Datuk Hong Ngit Ming	Managing Director	Wong Peng Mun	Independent Non-Executive Director
Hong Kun Yee	Executive Director		

AUDIT & RISK MANAGEMENT COMMITTEE

Fung Hiuk Bing (Chairman)
Tham Vui Yun
Wong Peng Mun

NOMINATION & REMUNERATION COMMITTEE

Wong Peng Mun (Chairman)
Tham Vui Yun
Fung Hiuk Bing

COMPANY SECRETARY

Julian Yeoh Yun Kiat (MIA 28007)

REGISTERED OFFICE

318, Teck Guan Regency,
Jalan St. Patrick,
Off Jalan Belunu,
91000 Tawau, Sabah
Tel: 6089-772275
Fax: 6089-761052
Email: perdana@teckguan.com

SHARE REGISTRAR

Bina Management (M) Sdn. Bhd.
Lot 10, The Highway Centre,
Jalan 51/205,
46050 Petaling Jaya
Selangor Darul Ehsan,
Malaysia
Tel: 603-77843922
Fax: 603-77841988

AUDITORS

PKF PLT
202206000012 (LLP0030836-LCA) & AF 0911
Chartered Accountants

BANKERS

RHB Bank Berhad
Malayan Banking Berhad
Hong Leong Bank Berhad
RHB Investment Bank Berhad
Al Rajhi Banking & Investment
Corporation (Malaysia) Berhad

SOLICITORS

RYCO Law Firm

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
(Main Market)
Stock Short Name: TECGUAN
Stock Code : 7439

WEBSITE

www.teckguan.com/tgp

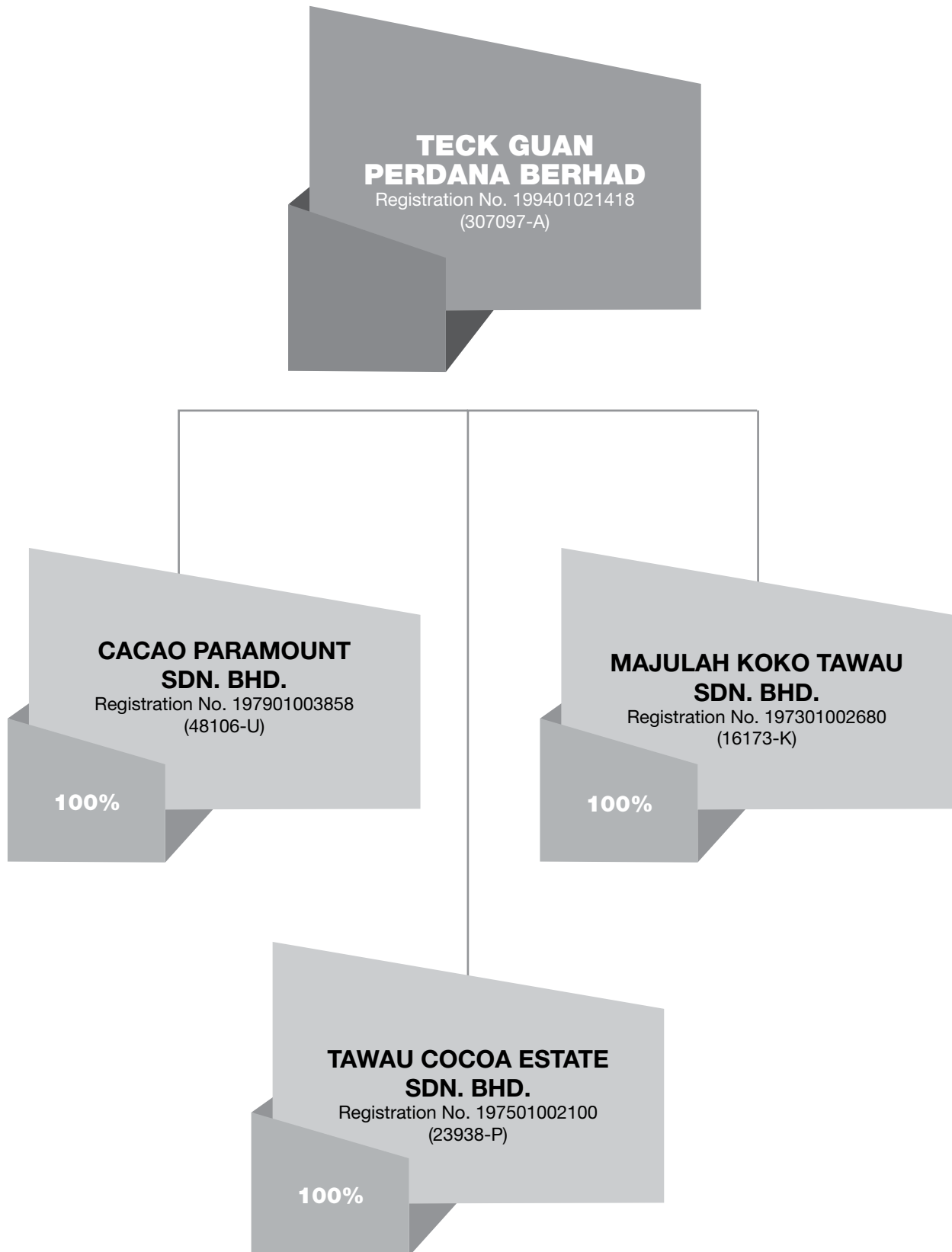
5-YEAR FINANCIAL HIGHLIGHTS

FINANCIAL YEAR ENDED 31 JANUARY	2024 RM'000	2023 RM'000 (restated)	2022 RM'000	2021 RM'000	2020 RM'000
RESULTS OF OPERATIONS					
Revenue	294,209	489,665	502,509	460,871	273,652
Pre-Tax Profit	11,022	40,878	24,831	10,802	4,561
After-Tax Profit	7,690	29,755	19,731	7,999	3,159
FINANCIAL POSITION					
Working Capital	59,062	55,471	52,286	33,447	27,869
Net Assets	112,820	107,135	78,583	58,853	50,854
Total Assets	163,467	174,450	219,014	137,657	143,795
Paid-up Capital	40,104	40,104	40,104	40,104	40,104
Shareholders' Funds	112,820	107,135	78,583	58,853	50,854
PER SHARE (in SEN)					
Net Assets	281.4	267.2	196.0	146.8	126.8
Profit Before Tax*	27.5	101.9	61.9	26.9	11.4
Profit After Tax*	19.2	74.2	49.2	19.9	7.9
Dividend – Final (Gross)	4.0**	5.0	3.0	0.0	0.0
* Calculated based on ordinary shares in issue throughout the financial year (unit)	40,096,902	40,096,902	40,096,902	40,096,902	40,096,902

** In respect of the financial year ended 31 January 2024:
First and final single-tier dividend of 4.0 sen ordinary share totalling RM1,603,876 on 40,096,902 ordinary shares, declared on 9 May 2024 and payable on 12 August 2024.

The financial statements for the current financial year do not reflect this first and final single-tier interim dividend. Such dividend will be accounted for in equity as an appropriation of retained profits in the next financial year ending 31 January 2025.

CORPORATE STRUCTURE



PROFILES OF DIRECTORS AND KEY SENIOR MANAGEMENT

MR. THAM VUI VUN

Chairman and Independent Non-Executive Director

Age:
67

Gender:
Male

Nationality:
Malaysian

Qualification:

Fellow Member of the Chartered Association of Certified Accountant, United Kingdom.
Chartered Accountant Malaysia (C.A.(M))

Working Experience:

He was appointed as an Independent and Non-Executive Director of Teck Guan Perdana Berhad on 15 November 2001. He was appointed the post of Chairman on 15 April 2013. He is also a Chartered Accountant, Malaysia having more than thirty years working experience in both accounting and auditing fields and heads his own practice as V.V. Tham & Co since 1998 and in 2018 as V.V. Tham & Partners PLT.

Occupation:

Auditor

Date first appointed to the Board:

15 November 2001

Date appointed as Board Chairman:

15 April 2013

Details of any Board Committee appointment:

Audit & Risk Management Committee – Member
Nomination & Remuneration Committee – Member

Directorship of other public companies and listed corporation:

NIL

Family relationship with any directors and/or major shareholder of the Company:

NIL

Conflict of interest with the Company:

NIL

List of convictions for offences within the past 5 years (other than traffic offence) and any public sanction or penalty imposed by the relevant regulatory bodies during the financial year:

NIL

Number of board meetings attended in the financial year:

Please refer to para A1.1 under the section on Corporate Governance Overview Statement of this Annual Report

PROFILES OF DIRECTORS AND KEY SENIOR MANAGEMENT

DATUK HONG NGIT MING

Managing Director
(Key Senior Management)

Age:
71

Gender:
Male

Nationality:
Malaysian

Qualification:

Enrolled in 1973 into the renowned Imperial College London and graduated in 1976 with two (2) qualifications: BSc. (Hons) and ACGL. He also earned a master degree in economics from the University Malaysia Sabah.

Working Experience:

He was appointed the Deputy Executive Chairman of Teck Guan Perdana Berhad on 18 June 1996 and its Executive Chairman on 20 April 1998. He was appointed the new Managing Director following his cessation as Executive Chairman on 15 April 2013. He joined Teck Guan Holdings Sdn. Bhd.'s Group of Companies on 1 October 1976 as a management trainee, based in the Agriculture Division. He was appointed a director in 1979 and in 1983, he became the Deputy Managing Director of the Teck Guan Holdings Group, a very large diversified multi-national company with worldwide operations in many countries.

He has excellent business acumen due to his multi-disciplinary background in business. His scientific knowledge has led him to revolutionise the cocoa industry in Malaysia when he pioneered "The Zero-Shade Cocoa Planting", which forever changed the entire cocoa cultivation industry. He has in the year 2002, published his works entitled "Development History of Zero-Shade Cocoa and Its Theories - Let There Be Light". Both local and international researchers have sought his advice on technical aspects of cocoa.

His lifelong dream for economic greatness has been fulfilled with his 2007 publication of his book entitled "Wealth Creation Mystery - You Win, I Win, Everyone Wins, Who Then Is the Loser" which shattered long held economic fundamentals on wealth creation and created tremendous excitement in the world of economics. His book is a must-read book on wealth creation.

He has great foresight in business and among the first to venture into the high-end oleo chemical fatty alcohol and his views are much sought after.

Occupation:

Director

Date first appointed to the Board:

18 June 1996

Date appointed as Board Managing Director:

15 April 2013

Details of any Board Committee appointment:

NIL

Directorship of other public companies and listed corporation:

NIL

Family relationship with any directors and/or major shareholder of the Company:

Datuk Hong Ngit Ming is deemed interested by virtue of his direct interest in shares in and being director of the holding company and his daughter, Ms. Hong Kun Yee is a member of the Board.

Conflict of interest with the Company:

NIL

List of convictions for offences within the past 5 years (other than traffic offence) and any public sanction or penalty imposed by the relevant regulatory bodies during the financial year:

NIL

Number of board meetings attended in the financial year:

Please refer to para A1.1 under the section on Corporate Governance Overview Statement of this Annual Report

PROFILES OF DIRECTORS AND KEY SENIOR MANAGEMENT

MS. HONG KUN YEE

Executive Director
(Key Senior Management)

Age:
44

Gender:
Female

Nationality:
Malaysian

Qualification:

Bachelor of Science in Electrical Engineering from Purdue University, United States of America

Working Experience:

She was initially attached to the Teck Guan Holdings Sdn. Bhd.'s Group of Companies with the Industry Division as Engineer in January 2003 and subsequently assigned as Senior Engineer with Teck Guan Steel Sdn. Bhd. which manufactures steel bars, wire mesh and barbed wire. In May 2014, she took up the post of Branch Manager of Teck Guan Trading Sdn. Bhd. at Kota Kinabalu. Over the years, she has gained much experience in managing business activities involving both the manufacturing and trading sector.

Occupation:

Director

Date first appointed to the Board:

29 November 2019

Details of any Board Committee appointment:

NIL

Directorship of other public companies and listed corporation:

NIL

Family relationship with any directors and/or major shareholder of the Company:

Her father, Datuk Hong Ngit Ming is a member of the Board.

Conflict of interest with the Company:

NIL

List of convictions for offences within the past 5 years (other than traffic offence) and any public sanction or penalty imposed by the relevant regulatory bodies during the financial year:

NIL

Number of board meetings attended in the financial year:

Please refer to para A1.1 under the section on Corporate Governance Overview Statement of this Annual Report

PROFILES OF DIRECTORS AND KEY SENIOR MANAGEMENT

MR. FUNG HIUK BING

Independent Non-Executive Director

Age:
55

Gender:
Male

Nationality:
Malaysian

Qualification:

Fellow member of CPA Australia
Fellow member of Chartered Tax Institute of Malaysia (FCTIM)
Chartered Accountant of the Malaysian Institute of Accountants (MIA)

Working Experience:

He was appointed as an Independent and Non-Executive Director of Teck Guan Perdana Berhad on 19 December 2013. He is also a Chartered Accountant, Malaysia having more than twenty years working experience in both accounting and auditing fields and currently heads his own practice as HB Fung & Co. since 2007.

Occupation:

Auditor

Date first appointed to the Board:

19 December 2013

Details of any Board Committee appointment:

Audit & Risk Management Committee – Chairman
Nomination & Remuneration Committee – Member

Directorship of other public companies and listed corporation:

NIL

Family relationship with any directors and/or major shareholder of the Company:

NIL

Conflict of interest with the Company:

NIL

List of convictions for offences within the past 5 years (other than traffic offence) and any public sanction or penalty imposed by the relevant regulatory bodies during the financial year:

NIL

Number of board meetings attended in the financial year:

Please refer to para A1.1 under the section on Corporate Governance Overview Statement of this Annual Report

PROFILES OF DIRECTORS AND KEY SENIOR MANAGEMENT

MR. WONG PENG MUN

Independent Non-Executive Director

Age:
64

Gender:
Male

Nationality:
Malaysian

Qualification:

BSc. (Hons) in Physics, Diploma in Management
Licensed Secretary (LS 003897)

Working Experience:

He was appointed as an Independent and Non-Executive Director of Teck Guan Perdana Berhad on 5 December 2008. He has more than 20 years of working experience in both secretarial and auditing fields. He has worked as audit senior with Ernst & Young and the then secretarial firm providing secretarial services for 8 years before establishing the current consultancy firm, Konsep Bisnes that provides corporate secretarial services.

Occupation:

Director

Date first appointed to the Board:

5 December 2008

Details of any Board Committee appointment:

Audit & Risk Management Committee - Member
Nomination & Remuneration Committee - Chairman

Directorship of other public companies and listed corporation:

NIL

Family relationship with any directors and/or major shareholder of the Company:

NIL

Conflict of interest with the Company:

NIL

List of convictions for offences within the past 5 years (other than traffic offence) and any public sanction or penalty imposed by the relevant regulatory bodies during the financial year:

NIL

Number of board meetings attended in the financial year:

Please refer to para A1.1 under the section on Corporate Governance Overview Statement of this Annual Report

PROFILES OF DIRECTORS AND KEY SENIOR MANAGEMENT

MR. CHONG NYET WUI

Chief Financial Officer of the Group
(Key Senior Management)

Age:
67

Gender:
Male

Nationality:
Malaysian

Qualification:

Fellow Member of the Chartered Association of Certified Accountant, United Kingdom.
Chartered Accountant Malaysia (C.A.(M))

Working Experience:

He has accumulated more than thirty years of working experience in auditing with Ernst & Young and KPMG for more than five years, an accountant with experience in accounting and finance with Pacific Hardwoods Sdn. Bhd. for six years and as commercial manager with Pamol Plantations Sdn. Bhd. for seven years. He was also the Group Accountant of Cepatwawasan Group Berhad for four years. Prior to his current position, he was the senior accountant with Teck Guan Holdings Sdn. Bhd., deemed related to the Company.

Occupation:

Chief Financial Officer

Date appointed as Chief Financial Officer:

26 March 2013

Directorship of other public companies and listed corporation:

NIL

Family relationship with any directors and/or major shareholder of the Company:

NIL

Conflict of interest with the Company:

NIL

List of convictions for offences within the past 5 years (other than traffic offence) and any public sanction or penalty imposed by the relevant regulatory bodies during the financial year:

NIL

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors of Teck Guan Perdana Berhad, I am pleased to present to you the Annual Report and Audited Financial Statements of the Group and of the Company for the financial year ended 31 January 2024.

FINANCIAL PERFORMANCE

For the year ended 31 January 2024, the Group registered a revenue of RM294.21 million, representing a decrease of 39.9% compared to RM489.66 million in the preceding year. The lower revenue was mainly attributed to decrease in selling price.

The Group registered a profit after tax of RM7.69 million as compared to RM29.75 million in the preceding year mainly due to lower operating margin.

OPERATIONS REVIEW

(a) Oil Palm Products:

During the financial review, 80.80% of planted areas under oil palm segment of the Group have attained maturity with average crop age of 19 years. Fresh fruit bunches yield registered an increase of approximately 11.12%. The sales volume for crude palm kernel oil had registered an increase of approximately 3.92% while a decrease of 1.90% for palm kernel expeller as compared with the preceding year.

The operating profit for palm oil products segment decreased from RM38.84million in the preceding year to RM8.50 million in the current year. The decrease was primarily attributed to a decrease in operating margin.

(b) Cocoa Products:

The operating profit for cocoa products segment increased from RM1.54 million in the preceding year to RM2.70 million in the current year. The increase was mainly attributed to increase in operating margin.

CHAIRMAN'S STATEMENT

DIVIDEND

In the financial year 2024, the Board of Directors has proposed a first and final single-tier dividend of 4 sen per ordinary share amounting to RM1,603,876.08 million for the financial year ended 31 January 2024.

The Group continues to be financially nimble by maintaining a high level of liquidity with cash and cash equivalents of RM56.64 million as at the end of FY2024. With continuous proactive capital management, the Group is prepared to capitalise on future investment opportunities and meet business challenges posed by unfavourable market conditions.

SUSTAINABILITY

The Board maintains its commitment to responsible agricultural practices, concentrating on sustainability and good corporate governance. The Group remains committed to reaching the Round Table on Sustainable Palm Oil (RSPO) by 2025; our vision "Craving to Serve Humanity" and goal "TO HARNESS ABUNDANT WEALTH FROM NON-EARTH RESOURCES" are engraved in stone as necessary requirements for producing shared value. Furthermore, it has been encouraging to see the ongoing emphasis on reducing risks related to human rights, which is a severe issue in Malaysia's different businesses, not least the plantation industry.

To identify key sustainability issues and opportunities, we rely on information from a variety of internal and external sources. This includes insights from the organization's sustainability agencies, stakeholder feedback, input from industry groups and compliance with standards recommended by international reporting agencies and the industry. Notable examples of these standards are Malaysian Sustainable Palm Oil, ISCC – EU and Verified Deforestation Free (VDF).

As a result of the analysis and evaluation of the risks and opportunities of the company mentioned above, we focused on the indicators of the Sustainable Development Goals (SDGs) related to the protection

of human rights, occupational health and safety, social obligations, environmental issues, the commitment of interested parties and etc.

More information on our many sustainability initiatives and commitment to mitigating ESG risks is covered under our Sustainability Statement on pages 44 to 55.

PROSPECTS

Despite the challenging operating environment faced by palm based industry, the Group recorded maiden performance for the financial year ended 31 January 2024. However moving forward into the forthcoming year, the palm products market is expected to remain volatile with vulnerable fluctuating commodity prices amid uncertainties in the changing global economy.

Notwithstanding the above, the Management is committed to ensuring a seamless strategic direction in fulfilling the Group's mission and will continue to focus on enhancing productivity and jointly optimising operating cost efficiency so as to drive the enterprise to greater heights.

APPRECIATION

On behalf of the Board, I wish to express my sincere appreciation to all our valued Shareholders, customers, business associates and suppliers for their continued support, mutual trust and utmost confidence in the Group.

My deepest appreciation to the Directors, management and employees at all levels for their contributions, dedication, loyalty and hard work in working together for the Group business sustainability as well as in building their career path with the Group.

THAM VUI VUN
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

DESCRIPTION OF TECK GUAN PERDANA GROUP'S BUSINESS

Teck Guan Perdana Group is a palm oil and cocoa producer which involved the following business activities:

- Sale of plantation produce;
- Sale of crude palm kernel oil;
- Sale of palm kernel expeller;
- Trading of palm oil related products;
- Sale of cocoa products; and
- Sale of dried cocoa beans.

A. Group Financial Review

The Group's revenue and profit before tax for the financial year ended 31 January 2024 at RM294.21 million and RM11.02 million were lower than the last financial year by 39.92% and 73.04% respectively mainly attributed to unfavourable palm oil products segment. During the financial year, palm oil products segment reported a lower operating profit of RM8.50 million from RM38.84 million in the last financial year, mainly attributed to the decrease in average selling price. Cocoa products segment reported higher operating profit of RM2.70 million compared to RM1.54 million in the last financial year.

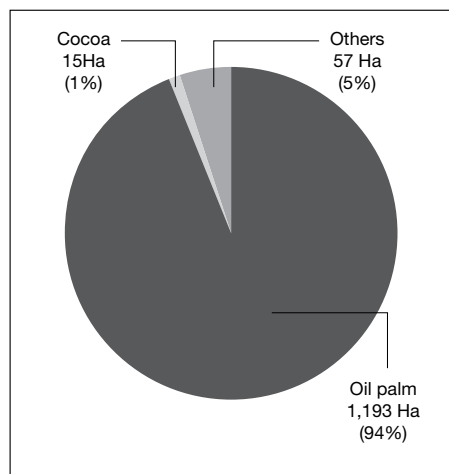
Consequently, the Group recorded a profit after tax for the financial year ended 31 January 2024 of RM7.69 million, which was lower than the profit after tax of RM29.75 million in the last financial year.

The Group's operations are mainly affected by seasonal crop production, climatic conditions and fluctuating commodity prices. The palm oil products segment remains as significant contributors to the overall profitability of the Group. Palm oil products segment reported lower margin during the financial year mainly affected by high volatility of commodity prices.

Despite the current economic environment, the Management is cautiously optimistic about 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 business associated risks so as to achieve long term sustainability.

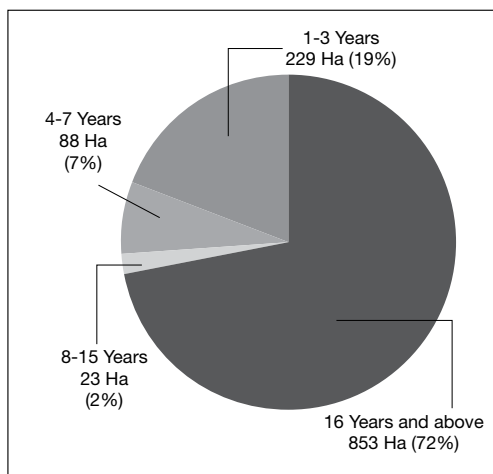
B. Group Business Review – Oil Palm and Cocoa Plantations

CROP MIX



Total Planted Area – 1,265 Ha

OIL PALM HECTARAGE BY AGE



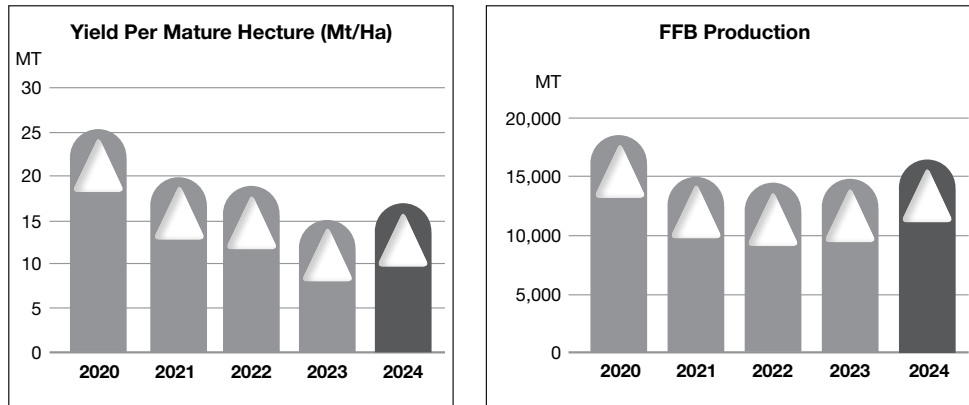
Total Oil Palm Planted Area – 1,193 Ha

MANAGEMENT DISCUSSION AND ANALYSIS

DESCRIPTION OF TECK GUAN PERDANA GROUP'S BUSINESS (CONTINUED)

B. Group Business Review – Oil Palm and Cocoa Plantations (Continued)

OIL PALM PLANTATION



PLANTATION STATISTICS

Area Statement

	Unit	FY2024	FY2023	FY2022	FY2021	FY2020
Oil Palm Area						
Mature	Hectare	964	1,028	743	743	743
Immature	Hectare	229	190	123	–	–
Total	Hectare	1,193	1,218	866	743	743
Cocoa Area						
Mature	Hectare	15	15	15	15	15
Immature	Hectare	–	–	–	–	–
Total	Hectare	15	15	15	15	15
Other Crops	Hectare	57	42	42	–	–
Total Planted Area	Hectare	1,265	1,275	923	758	758
Total Unplanted, Buildings and Infrastructure Areas	Hectare	83	73	98	263	57
Total Area	Hectare	1,348	1,348	1,021	1,021	815

MANAGEMENT DISCUSSION AND ANALYSIS

DESCRIPTION OF TECK GUAN PERDANA GROUP'S BUSINESS (CONTINUED)

B. Group Business Review – Oil Palm and Cocoa Plantations (Continued)

PLANTATION STATISTICS (CONTINUED)

Crop Statement

	Unit	FY2024	FY2023	FY2022	FY2021	FY2020
Oil Palm						
FFB production	Tonne	16,566	14,908	14,429	14,976	18,564
Yield per mature hectare	Tonne	17.18	14.50	19.42	20.16	24.99
Average selling price	RM/ Tonne	684	911	835	494	382

As at 31 January 2024, the Group's total planted area owned by subsidiary companies stood at 1,265 hectares. Approximately 94.31% of the planted area owned by subsidiary companies are planted with oil palm. The Group has 8 estates and total oil palm planted area as at the end of the financial year stood at 1,193 hectares. Approximately 64.78% of the Group's oil palm and cocoa plantation holdings are located at Tawau, Sabah, 19.70% at Lahad Datu, Sabah and the remaining of 15.52% at Sandakan, Sabah. The Group's plantation produce is principally processed by palm oil mills owned by the related companies.

For the current year under review, 81.04% of the oil palm and cocoa planted areas have attained maturity. The Group's estates produced a total of 16,566MT of FFB which was about 11.12% higher than the previous financial year. However, average FFB selling price in current financial year of RM684 per MT is about 24.92% lower than the last financial year.

The Management is cautiously optimistic about the prospects of the plantation industry. Management will continue to focus on the cost efficiency and yield management in 2024.

C. Group Business Review – Resource-Based Manufacturing

1. Operation of Palm Kernel Crushing Plant and Trading of Palm Oil Related Products

	Unit	FY2024	FY2023	FY2022	FY2021	FY2020
Production						
Crude Palm Kernel Oil	Tonne	39,255	42,937	44,346	42,561	37,342
Palm Kernel Expeller	Tonne	44,059	46,943	49,391	47,025	40,853
Extraction Rates						
Crude Palm Kernel Oil	%	45.00	46.40	46.10	46.70	47.40
Palm Kernel Expeller	%	50.50	50.70	51.60	51.60	51.86
Average Selling Price (Per Tonne)						
Crude Palm Kernel Oil	RM	4,258	7,834	6,622	3,223	2,552
Palm Kernel Expeller	RM	769	812	655	564	431
Trading of palm oil related products	RM	4,717	8,798	5,825	2,761	2,496

MANAGEMENT DISCUSSION AND ANALYSIS

DESCRIPTION OF TECK GUAN PERDANA GROUP'S BUSINESS (CONTINUED)

C. Group Business Review – Resource-Based Manufacturing (Continued)

1. Operation of Palm Kernel Crushing Plant and Trading of Palm Oil Related Products (Continued)

The Group owns one kernel crushing plant located at Tawau, Sabah. It has crushing capacity of 13,000 MT per month. The crushing plant is strategically located along the shipping routes with direct port access facility.

This crushing plant produces crude palm kernel oil and palm kernel expeller mainly for export market. With the Group's integrated business model, the crushing plant plays an important role in the supply chain.

Extraction rate of the crude palm kernel oil for the current financial year has decreased to 45.00% as compared to the last financial year, which was at 46.40%.

The overall financial performance for the operation of kernel crushing plant and trading of palm products in current financial year was challenging due to external environment on palm-based market. For the coming months, the palm oil market is expected to remain challenging with vulnerable exchange rates and unstable commodity prices. However, Management is cautiously optimistic about the prospects of the palm oil industry and continue its management effort to mitigate these risks to ensure the Group remains competitive and to be resilient in the face of adversity.

2. Manufacturing and Trading of Cocoa Products

	Unit	FY2024	FY2023	FY2022	FY2021	FY2020
Average Selling Price (Per Tonne)						
Cocoa Products	RM	15,205	13,871	12,305	10,500	11,657
Chocolate Products	RM	13,752	12,638	11,920	11,710	12,437
Sales Volume						
Cocoa Products	Tonne	1,365	1,163	947	1,139	733
Chocolate Products	Tonne	196	164	167	127	142

Cocoa products' contribution of 7.63% to the revenue of current financial year is insignificant.

During the financial year, the Group continued to market and ship cocoa products to overseas and local buyers. Exports of the cocoa products were mainly delivered to Pakistan, Jordan, China, Sri Lanka and India.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors of Teck Guan Perdana Berhad is committed to excel in corporate governance standards at all times in conducting the business affairs of the Group with integrity, accountability and transparency which are the key components to building a sustainable business. These will protect and enhance shareholders' investment and value and the financial performance of the Group.

This Corporate Governance Overview statement provides information about the Company's corporate governance practices during the reporting financial year. The Board is pleased to report on how the Company and the Group have applied the principles and the extent of compliance with the best practices set out in the Malaysian Code on Corporate Governance ("the Code") issued by the Securities Commission.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS

A1 BOARD DYNAMICS AND STRUCTURE

A1.1 Members of the Board of Directors

The Company is headed by a dynamic Board consisting of 5 members with more than half of the Board consist of Independent Non-Executive Directors ("Independent Directors") as follows:

Members of the Board	Designation	Number of Meetings During the FY 2024		Attendance Record
		Attended	Held	
Mr. Tham Vui Vun	Chairman, Independent Director	5	5	100%
Datuk Hong Ngit Ming	Managing Director	5	5	100%
Ms. Hong Kun Yee	Executive Director	4	5	80%
Mr. Fung Hiuk Bing	Independent Director	5	5	100%
Mr. Wong Peng Mun	Independent Director	5	5	100%

The profile of each of the Director can be found in the section on "Profiles of Directors and Key Senior Management" of this Annual Report.

A1.2 Separate Positions of the Board Chairman and the Managing Director for Accountability

The positions of Chairman and Managing Director are held by different individuals, and this separation of positions promotes accountability, facilitates the division of responsibilities between them and further enhances the existing balance of power and authority.

The Chairman of the Company is Mr. Tham Vui Vun, an independent non-executive member of the Board. The Chairman is primarily responsible for matters pertaining to the Board, provides leadership in ensuring effective functioning of the Board as a whole, encourage active and fair participation from every Board member and instilling good corporate governance practices and overall conduct of the Group.

Datuk Hong Ngit Ming, an executive member of the Board, is the Managing Director and he focuses on the business and day-to-day management of the Company and of the Group with all powers, discretions and delegations authorised from time to time by the Board. He is primarily responsible for the implementation of the Board's policies and decisions, overseeing the Group's operations and developing the Group's business strategies.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

A1 BOARD DYNAMICS AND STRUCTURE (CONT'D)

A1.3 Presence of Independent Directors to Provide Objectivity

Role of Independent Directors

The Board recognises that the Independent Directors, who has no connection with the Company, bring dispassionate objectivity to the Company and significantly contribute to the Company's decision making by bringing in the quality of detached impartiality.

The Independent Directors are independent of management and have no relationship that could materially interfere with the exercise of their independent judgement. The Independent Directors are actively involved in the existing Board Committees of the Company for enhanced governance. They provide the relevant checks and balances for the effective functioning of the Board, focusing on shareholders' and other stakeholders' interests and ensuring that high standards of corporate governance are applied.

Composition of Independent Directors

The current Board size consists of 5 members comprising a Non-Executive Chairman who is also an Independent Director, a Managing Director, an Executive Director and 2 other Independent Directors. The present composition reflects more than half of the Board members consist of Independent Directors. The present Board composition complies with both the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad, that requires two directors or one-third of the Board whichever is higher, to be independent director and the Code's best practice of at least half of the Board comprises of independent directors.

Tenure of Independent Directors

The Board notes that the Code's practice prescribes that the tenure of an Independent Director does not exceed a cumulative term limit of nine (9) years. However, an Independent Director may continue to serve the Board upon reaching the 9-year limit subject to his re designation as a Non-Independent Non-Executive Director. In the event the Board intends to retain such Director to be Independent Director, the Board shall justify the decision and seek annual shareholders' approval through a two tier voting process.

The Company does not have a policy to limit the tenure of its Independent Directors to 9 years as it intends to seek shareholders' approval to retain Mr. Tham Vui Vun, Mr. Wong Peng Mun and Mr. Fung Hiuk Bing in their present capacity. Independent Directors that has been served the Company for a cumulative term of more than 9 years as an Independent Director and the Board intends to continue to retain the said directors as an Independent Director by seeking shareholders' approval at the forthcoming AGM through the normal voting process. This is a departure from the prescribed practice of the Code on the two-tier voting procedure, as the Board consider that every shareholder should exercise their voting rights on the same level and each share shall entitled to one vote.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

A1 BOARD DYNAMICS AND STRUCTURE (CONT'D)

A1.4 Board Diversity to Widen Perspective

The Board recognises that a diverse Board in the Company could offer greater depth and breadth compared to non-diverse Board whilst the diversity at senior management will provide constructive debates, which lead to better decisions. The Nomination & Remuneration Committee in considering recommendation on new appointment to the Board are generally based on objective criteria with due regard to diversity in skills, knowledge, experience, ethnicity, age and gender. Notwithstanding the challenges in achieving the appropriate level of diversity on the Board and senior management, the Company will work towards addressing this as and when vacancies arise and suitable candidates are identified with the aim to select the best candidates available with necessary character that fits the Company's needs.

Furthermore, the Board is supportive of gender diversity in the Board composition and senior management, even though there is no specific gender policy and target set by the Company, as the Board believes that appointment to the Board and senior management should be based on the candidate's merit, qualification, experience and character. At present the Board has one female Board member as the Company is committed to have at least one female representation in the Board as specified in the Board Charter.

A1.5 Board Committees to Enhance Governance

The Board has established the following Board Committees from amongst the Board members to ensure good governance in decision making:

(a) Audit & Risk Management Committee ("ARMC")

The primary objectives of the ARMC are to assist the Board in the oversight of financial reporting process, internal control system and risk management process and the internal audit function. The ARMC comprising solely of Independent Directors is chaired by Mr. Fung Hiuk Bing.

(see the section on "Audit & Risk Management Committee Report" of this Annual Report for further details)

(b) Nomination & Remuneration Committee ("NRC")

The NRC oversees the process of recruiting and appointment of Directors, evaluating the performance of the Board and reviewing the remuneration of the Directors. The NRC comprising solely of Independent Directors is chaired by Mr. Wong Peng Mun.

(see the section on "Nomination & Remuneration Committee Report" of this Annual Report for further details)

These Board Committees operate within specific terms of reference that were drawn up in accordance with best practices in the Code and function principally to assist the Board in the execution of its duties and responsibilities. The respective Board Committees' terms of reference are available on the Company's website at www.teckguan.com/tgp.

The Board retains full responsibility for the direction and control of the Group as the ultimate responsibility for decision making lies with the Board, notwithstanding the delegation of specific powers to the Board Committees.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

A2 CLEAR ROLES AND RESPONSIBILITY OF THE BOARD

A2.1 Demarcation of Responsibilities

There is a clear distinction between the roles and responsibilities of the Board, Board Committees, individual Directors and management. The primary role of the Board is to lead the Company and promote the long-term success of the Company and the oversight of the management. The management is responsible for the execution of activities to meet corporate plans as well as instituting various measures to ensure due compliance with various governing legislations. The Board Committees are established with specific tasks to assist the Board in the discharge of its oversight function.

Their respective responsibilities, authorities and expectations are encapsulated in the Board Charter of the Company.

The Board Charter provides guiding principles for the Board to achieve the objectives of the Company and serves as a reference point for the Board's activities by setting out the Board's strategic intent, authority and terms of reference. In the Board Charter, the Board has established clear functions in respect of the role and responsibilities of the Board, Board Committees, individual Directors and management. It also provides insights and guidance on the roles and responsibilities of the Chairman, Managing Director, Executive Director and Independent Directors. The Board Charter also specifies the key issues and decisions that are reserved for the Board.

The Board Charter which is reviewed periodically is available on the Company's website at www.teckguan.com/tgp.

A2.2 Board Leadership

The Board duly acknowledged that it bears the collective responsibility for the leadership, oversight, control, development and sustainable growth of the Group as well as inculcating the appropriate culture and values throughout the organization.

In performing its role in leading the Company, the Board is responsible for setting the strategic direction, goals and directs the policies, strategic action plans and stewardship of the Group's resources with the aim to achieve those goals. Where strategic planning, key decisions, policies and values are reserved for the Board, the Board delegates to the management the authority and responsibility for the day-to-day operations and affairs of the Company.

A2.3 Board Oversight

The Board oversight functions concerns the review of the management performance in which the Board is assisted by the ARMC that provides effective oversight of the management performance, risk assessment, controls over business operations and corporate governance. The Board, at its quarterly meetings, reviews business financial results, risk management initiatives, oversees the implementation and effectiveness of internal control systems as well as enforces the compliance of legal and statutory requirements within the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

A2 CLEAR ROLES AND RESPONSIBILITY OF THE BOARD (CONT'D)

A2.4 Board Values

The Board is committed to promoting good business conduct and maintaining a healthy corporate culture as it recognises that the Company's culture is largely shaped by its leadership. In recognising the need to have clear policies on what is considered acceptable behaviour and practice, the Company has adopted the following code and policy:

- a. The Code of Ethics and Conduct of the Company which outlines the standards or business conduct and ethical behavior for the Directors, officers and employees of the Company in the performance and exercise of their responsibilities and ensure accountability. The Code of Ethics and Conduct requires all employees and Directors to observe high ethical business standards, honesty and integrity and act in good faith in the best interest of the Company and its shareholders.
- b. The Whistleblowing Policy which is to assist and ensures that the Company's business and operations are conducted in an ethical, moral and legal manner. The Whistleblowing Policy is designed to encourage employees or external parties to disclose suspected malpractice or misconduct and to provide protection to employees or external parties who report allegations of such practices.

A3 BOARD PROCESS

A3.1 Recruitment and Appointment Process

The NRC is responsible for making recommendations to the Board on the suitability of candidates nominated for appointment to the Board and Board Committees. In identifying candidates for appointment of directors, the Board does not solely rely on recommendations from existing Board members, management or major shareholders. The NRC is also authorised by the Board through its Terms of Reference to utilise independent sources (such as any available directors' registry, industry and professional associations, open advertisements or independent search firms) to identify suitable qualified candidates for directorship, where required and necessary.

The NRC in considering such recommendation shall first evaluate the balance and composition including mix of skills, independence, experience and diversity (including gender diversity) of the Board. In making recommendation of suitable candidates, the NRC shall consider the following:

- (i) skills, knowledge, expertise and experience;
- (ii) time commitment and contribution;
- (iii) honesty, integrity, professional conduct and business ethics/practices;
- (iv) number of directorship in other companies and other external obligations which may affect his/her commitment; and
- (v) for position of independent non-executive directors, the candidate shall be evaluated at minimum, with reference to the definition of "Independent Director" as stipulated by the MMLR.

The decision as to who should be appointed is the responsibility of the full Board after considering the recommendation of the NRC. The Company Secretary will ensure that all appointments are properly made; all necessary information is obtained as well as all legal and regulatory obligations are met. The NRC shall ensure all new directors participate in the board induction and mandatory accreditation programme as stipulated by the MMLR.

The NRC is currently seeking a candidate from independent sources for an additional independent non-executive director position in meeting the requirement of Practice 1.4 and Practice 5.9 of the updated Code.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

A3 BOARD PROCESS (CONT'D)

A3.2 Re-election of Directors

Any Director appointed during the year is required under the Company's Constitution to retire and seek re-election by the shareholders at the following Annual General Meeting ("AGM") immediately after their appointment. The Constitution also require one-third of the Directors including the Managing Director to retire by rotation and seek re-election at each AGM and that each Director are to retire from office at least once in three years but shall be eligible for re-election.

The performance of those Directors who are subject to re-election at the forthcoming AGM are assessed by the NRC whereupon recommendations are submitted to the Board for decision on the tabling of the proposed re-election of the Directors concerned for shareholders' approval.

The directors to retire from office and eligible for re-election at the forthcoming AGM are Mr. Tham Vui Yun and Mr. Fung Hiuk Bing.

A3.3 Board Evaluation

The Board regularly evaluates its performance and the governance processes that support the Board's work with the aim to improve individual contributions, effectiveness of the Board and the Board Committees. The annual evaluation conducted internally through a formal process, involves the Directors completing a set of assessment questionnaires and submitting the results to the NRC for review who then reports the outcome of the evaluation to the Board for further consideration.

The effectiveness of the Board is assessed by all the Directors in terms of composition with regard to size and balance, mix of skills, governance, competencies, duties and responsibilities. The Board also assessed whether it has established the appropriate Board Committees to undertake the mandate from the Board. And also, all the Directors assessed the Board Committees on the adequacy of the terms of reference, composition, credentials of the members and appointment of committee chair, reporting process and responsibilities. In addition, each Board Committee has conducted self-assessment on the adequacy of its charter, role, responsibilities, functions, process and procedures in determining how the respective Board Committees had performed.

An assessment was also conducted on each and every Director involving self and peer review, where each individual Director will assess his/her own performance and that of his/her fellow Directors in the area of integrity & ethics, governance, strategic perspective, judgement & decision making, teamwork, communication and leadership. These relate directly to areas in which a Director would be expected to contribute to the effectiveness of the Director individually and the Board as a whole.

The Directors who are the Independent Directors are further assessed on their independence and objectivity where the evaluation took into account the individual Director's ability to exercise judgment at all times and that such Director continue to comply with the definition of "Independent Director" as stipulated in the MMLR.

In addition, all the Directors, saved for the respective Chairman and Managing Director where he is the subject of evaluation, were required to assess the performance of the Board Chairman and the Managing Director. The Chairman was assessed on his role and performance in leadership, working relationship, commitment and governance, whereas the Managing Director was assessed on areas such as leadership, communication, strategic planning, operational management and implementation of policies.

The Board is satisfied with the results of the annual assessment on the effectiveness of the Board and that its composition in terms of size, balance between Executive and Independent Directors and mix of skills is adequate. The Board is also satisfied with the Board Committees having discharged their duties and responsibilities effectively, the performance of the individual Directors, the Chairman and the Managing Director, and that all the Independent Directors remain objective and independent.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

A3 BOARD PROCESS (CONT'D)

A3.4 Information and Support for Directors

The Board has full and timely access to information concerning the Company and the Group. The Board is provided with the relevant agenda and board papers at least one week before the meeting for their review and facilitate informed decision making. However, materials on certain items which are sensitive in nature are distributed only during the respective meetings. Minutes of the Board meetings are maintained by the Company Secretary and circulated to all members of the Board.

The Board has unrestricted access to all information within the Company including access to the advice of Company Secretary and other senior management, whether as a full board or in their individual capacity, which is necessary for discharge of its responsibilities and may obtain independent professional advice at the Company's expense in furtherance of their duties.

The Company Secretary

The Board has ready and unrestricted access to the advice and services of the Company Secretary who is suitably qualified under Section 235(2) of the Companies Act, 2016. The Board is satisfied with the competency, performance and support rendered by the Company Secretary, who play a vital role in advising the Board on corporate governance matters, ensuring the effective functioning of the Board and that applicable statutory and regulatory requirements are complied with.

The Company Secretary ensure that all Board and Board Committees deliberations and resolutions are properly and accurately minuted and regularly updates the Board during meetings and via emails, on any development in corporate governance and any changes to the statutory and regulatory requirements and the resultant implications on such changes to the Company and Directors in relation to their duties and responsibilities.

A3.5 Board Induction and Training

New appointees to the Board are given an introduction to familiarize with the Company's corporate governance, culture and business operations as it is vital for new members to orientate themselves in new environment in order to contribute to the Board.

All the present Directors have completed the Mandatory Accreditation Programme (MAP) as required by the MMLR for first time directors of listed issuer. The Directors of the Company continuously update and upgrade their knowledge and exposure through attending trainings, seminars, conferences, trade fairs and conventions and have attended the following during the financial year:

Mr. Tham Vui Vun

- MIA – 2023 Budget Seminar
- MIA – Audit Quality Enhancement Programme for SMP's
- MIA – ISA 500 & 501

Mr. Wong Peng Mun

- SSM – Share Responsibility in Strengthening AML/CFT

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

A3 BOARD PROCESS (CONT'D)

A3.5 Board Induction and Training (Cont'd)

Mr. Fung Hiuk Bing

- CTIM – Employer's Reporting and Compliance Responsibilities
- MIA – Withholding tax in Malaysia – principles & latest developments
- CTIM – Reinvestment Allowance & Automation Capital Allowance
- CTIM – Update on Transfer Pricing Documentation Requirements
- LHDN – Bajet 2023
- MIA – Audit evidence and sampling
- MIA – Accounting for biological assets: MFRS & MPERS
- LHDN – Seminar Percukaian Kebangsaan 2023
- SSM – Cessation of Companies & Limited Liability Partnerships
- SKM – Persidangan Juruaudit Koperasi 2023
- CTIM – 2024 Budget Seminar

Datuk Hong Ngit Ming

- Bursa Malaysia – POC2024

Ms. Hong Kun Yee

- CIDB – Kerja Bangunan – Hospital
- CIDB – Kursus Pemasangan Struktur Keluli
- CIDB – Kursus Kerja Bangunan – Hospital (Modul Teknikal 2)
- CIDB - Kursus Pemasangan Struktur Keluli (Modul Teknikal 1)

A4 REMUNERATION

A4.1 Remuneration Policy

The Board recognises that the level and composition of remuneration of Directors and senior management should take into account the Company's desire to attract and retain the right talent in the Board and senior management to drive the company's long-term objectives.

Therefore, the Company has in place policies and procedures to determine the remuneration of Directors and senior management, which takes into account the demands, complexities and performance of the Company as well as skills and experience required. The objective of the Company's remuneration policy is to attract and retain the Directors and senior management required to lead and control the Group effectively. In the case of Executive Directors and senior management, the components of the remuneration package are linked to corporate and individual performance. For Non-Executive Directors, the level of remuneration is reflective of their experience and level of responsibilities.

Furthermore, in line with the MMLR, the salaries payable to the Executive Directors do not include a commission or percentage of turnover, while fees payable to the Independent Directors take the form of a fixed sum and not a commission or percentage of profits or turnover. In compliance with the provisions of the Companies Act 2016, the fees and any benefits payable to Directors are subject to annual approval at general meetings.

The process of reviewing and recommending matters relating to the remuneration of the Board is undertaken by the NRC.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

A4 REMUNERATION (CONT'D)

A4.2 Disclosure of Remuneration

The Board acknowledged that disclosure of remuneration of the Directors and senior management on an individual basis provides transparency and enable the stakeholders to assess whether the remuneration commensurate with their individual performance, taking into consideration of the Company's performance. However, the Board also understand that such disclosure at employee level for senior management have to be considered in terms of how its affect the dynamics of the workforce internally which may yield unintended outcome among the employees, who themselves are part of the Company's stakeholders, and for this reason has not adopted any disclosure of such employees' remuneration.

The remuneration of the Directors of the Company for the reporting financial year is as follow:

	Fees	Salaries & Allowances	Bonuses	Others*	Total
Datuk Hong Ngit Ming	–	300,271	41,072	41,704	383,047
Ms. Hong Kun Yee	–	120,000	13,500	17,190	150,690
Mr. Fung Hiuk Bing	18,000	–	–	–	18,000
Mr. Tham Vui Vun	18,000	–	–	–	18,000
Mr. Wong Peng Mun	18,000	–	–	–	18,000
	54,000	420,271	54,572	58,894	587,737

* Others consist of contributions to defined contribution plan, social security and employment insurance scheme

None of the Directors of the Company received any remuneration from the Group's subsidiary companies

PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT

B1 AUDIT & RISK MANAGEMENT COMMITTEE

B1.1 Integrity in Financial Reporting

The Board aims to present a balanced and understandable assessment of the Group's financial performance and prospects, primarily through the presentation of annual audited financial statements and the unaudited quarterly financial results announced to the shareholders.

To enable the Board to objectively review the Company's financial statement so as to ensure that it is a reliable source of information, the Board has established the ARMC to assist the Board by reviewing the information to be disclosed in the financial statements, to ensure completeness, accuracy, adequacy and compliance with applicable financial reporting standards.

In ensuring that the ARMC remains effective and independent, the said Committee comprises solely of Independent Directors and that it is not chaired by the Board Chairman nor does the present ARMC has any former key audit partner as its member. All members of the ARMC are financially literate and are able to understand matters under the purview of the Committee including financial reporting process and have undertaken continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

B1 AUDIT & RISK MANAGEMENT COMMITTEE (CONT'D)

B1.1 Integrity in Financial Reporting (Cont'd)

In addition, the ARMC has oversight of the following:

External Auditors

Through the ARMC, the Company has established an appropriate and transparent relationship with the Group's external auditors. The external auditors of the Company fulfill an essential role on behalf of the Company in giving assurance to the shareholders and others, of the reliability of the financial statements of the Company.

From time to time, the external auditors highlighted to the ARMC on matters that requires the Board's attention. The Company maintains a transparent relationship with the external auditors in seeking professional advice and ensuring compliance with applicable approved financial reporting standards in Malaysia. Key features underlying the relationship of the ARMC and the external auditors are set out in the section on "Audit & Risk Management Committee Report" of this Annual Report.

The ARMC has considered the non-audit services provided by the external auditors during the reporting financial year. The ARMC had concluded that these services have not compromised the external auditors' independence and objectivity as the amount of non-audit fee paid was not significant as compared to the total fees paid/payable. The fees for such non-audit services as referred to in the table below comprising mainly on the review of the statement on risk management and internal control.

The amount of audit fee incurred for services rendered by the external auditors during the financial year are as follows:-

Amount in RM	Company	Group
Audit Fees	73,000	143,000

The ARMC has also obtained assurance from the external auditors confirming their independence throughout the conduct of the audit engagement in accordance to the terms of all relevant professional and regulatory requirements. The ARMC has evaluated the performance of the external auditors and made recommendations to the Board on their re-appointment and audit fees. The Board had noted that the external auditors had expressed their willingness to continue in office for the ensuing year and having reviewed the suitability and independence of the external auditors, the Board recommends the re-appointment of the external auditors to the shareholders at the forthcoming AGM.

Internal Audit Function

The Group has in place an in-house Internal Audit Department which is independent of the activities that it audits. The internal auditor is provided with sufficient resources to carry out his audit work. En. Mohamad Norazlee Bin Jufrey, from the Internal Audit Department reports directly to the ARMC and he is free from any relationships or conflict of interest, which could impair his objectivity. The risk based internal audit plan that comprises of internal audit coverage and scope of work are presented to the ARMC for approval annually and the audit is conducted in accordance with recognised framework. Internal audit reports encompassing audit findings together with recommendations are presented to the ARMC during its quarterly meetings.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

B1 AUDIT & RISK MANAGEMENT COMMITTEE (CONT'D)

B1.2 Managing Risk

The Board has ultimate responsibility for reviewing the Company's risks, approving the risk management framework and policies, and overseeing the Company's strategic risk management and internal control framework. The Group has in place an on-going risk management process consist of Risk & Sustainability Department that coordinates with the risk owners to identify and documenting major risks, assessing the potential impact and likelihood of occurrence and mitigating controls through the adoption of risk management methodology and approach.

The Board is required under the MMLR to provide a statement about the state of risk management and internal control of the Group, which has been reviewed by the external auditors, is presented under the section on "Statement of Risk Management and Internal Control" of this Annual Report.

PRINCIPLE C : INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

C1 COMMUNICATION WITH STAKEHOLDERS

C1.1 Integrity in Corporate Reporting

The Company is committed to provide shareholders and other stakeholders with comprehensive, accurate and quality information on a timely and even basis. It adheres to the Corporate Disclosure Policy & Procedures in disseminating information to the stakeholders and the public at large.

This Policy which applies to all Company's Directors, management, officers and employees of the Group, establishes procedures to ensure that Directors and employees are aware of the Company's disclosure obligations and procedures, and have accountability for the Company's compliance with those obligations. This policy covers the means and method of communication, persons responsible to communicate with stakeholders, handling and maintaining confidentiality of information, obligation to disclose material information on timely basis with a level of clarity and reliability, and that stakeholders and public at large shall have equal access to material information.

In addition, the Board is required under the MMLR to provide a statement explaining the Directors' responsibilities for preparing the annual audited financial statements which can be found in the section on "Statement of Directors' Responsibilities in respect of the Audited Financial Statements" of this Annual Report.

C1.2 Timely and Regular Dissemination of Information

The Board acknowledges the need for shareholders to be informed on all material business developments affecting the Group's state of affairs. To ensure shareholders and other stakeholders are well informed, information are disseminated through various disclosures and announcement to Bursa Malaysia Securities Berhad. This includes timely release of quarterly financial results on the Group's performance and operations. The circulation of the Company's annual reports, relevant announcements made through Bursa Malaysia Securities Berhad and the Company's website are currently the primary means of communication between the Company, its shareholders, other stakeholders and the general public.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE C : INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

C2 GENERAL MEETINGS OF THE COMPANY

C2.1 Shareholders Participation at General Meetings

General meetings of the Company represent the principal forum for dialogue between shareholders and the Company. Shareholders are encouraged to attend and participate at these meetings.

In an effort to encourage greater shareholders' participation at general meeting, the Board takes cognisance in serving longer than the required minimum notice for general meeting by giving at least 28 days' notice prior to the meeting (as proposed by the Code), where possible. To further promote participation of the members, the Chairman of the meeting will brief the members, corporate representatives or proxies present at the meeting of their rights to speak and vote on the resolutions set forth in the general meeting.

The shareholders are given the opportunity to seek clarification on any matters pertaining to the business and financial performance of the Company. The Board endeavors to ensure that all Board members including the chair of the Board Committees, the Chief Financial Officer and the external auditors are present at the Company's Annual General Meetings to answer questions raised at the meeting. Extraordinary General Meetings are held as and when required and if necessary, the financial advisors will also be present to attend to shareholders' queries at these meetings.

C2.2 Voting

Pursuant to MMLR, any resolution set out in the notice of any general meetings, or in any notice or resolution which may properly be moved and is intended to be moved at any general meeting, must be voted by poll for all general meetings from 1 July 2016 onwards. Hence, voting for all resolutions set out in the forthcoming and future general meetings will be conducted as such. An independent scrutineer will be appointed to validate the votes cast at the general meetings.

The Board is cognisants of the advantages of poll voting and electronic voting at general meetings to ensure the accuracy, transparency and efficiency of the voting process and the outcomes at general meetings. Going forward, the Board will consider the electronic voting should the need arise.

CORPORATE GOVERNANCE REPORT

The Board recognises the importance of good corporate governance towards long term sustainability of the Group. To this end, the Board always strives to adopt the principles and practices promoted by the Code. Save as disclosed within this Annual Report, the Company has, and will continue to apply the principles and practices as set out in the Code where practical and appropriate. The detailed application for each practice as sets out in the Code is disclosed in the "Corporate Governance Report 2024" which is available on the Company's website at www.teckguan.com/tgp.

NOMINATION & REMUNERATION COMMITTEE REPORT

CONSTITUTION, COMPOSITION AND MEETINGS

The Nomination Committee and the Remuneration Committee were both established on 31 March 2003 and these two committees were merged into the present Nomination & Remuneration Committee (“NRC” or “the Committee”) on 22 January 2018.

The composition of the NRC has complied with the requirements on its memberships as stated in its terms of reference and in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and also applied the practice as set out in the Malaysian Code on Corporate Governance (“the Code”):

- The Committee members are appointed from amongst its directors by the Board;
- The Committee shall consist of no less than three (3) members and all members of the Committee must be non-executive directors, with a majority being independent directors; and
- The Committee shall elect a chairman from amongst its member who is an independent director.

The membership and the number of meetings held for the reporting financial year together with the detail of attendance of each committee member are as follows:

Name of Independent Non-Executive Director	Committee Position	Number of Meetings		Attendance Record
		Attended	Held	
Mr. Wong Peng Mun	Chairman	1	1	100%
Mr. Fung Hiuk Bing	Member	1	1	100%
Mr. Tham Vui Vun	Member	1	1	100%

There is no change to the composition of the NRC’s members as at the date of this Annual Report.

OBJECTIVE, POWERS AND DUTIES

The principal functions of the NRC are to assist the Board primarily in:

- Board Recruitment, Appointment and Re-election Process – to identify, review and recommend candidatures for appointment to the Board and/or Board Committees; and to review the annual retirement of Directors by rotation and recommend the same for re-election by shareholders, including the review and recommending to the Board if the Company intends to seek shareholders’ approval to retain an Independent Director to continue in that capacity beyond the 9 years prescribed limit by the Code.
- Board Composition and Performance Evaluation – to conduct annual evaluation on the performance of individual Directors and other key officers, Board Committees and the effectiveness of the Board as a whole including the Board size, balance and mix of skills.
- Board Remuneration – to review and recommend to the Board, the remuneration package of the Directors, both executives and non-executives, with due consideration to the individual Director’s responsibilities and expertise, complexity of the Company’s activities and is structured to align with the business strategy and long-term objectives of the Company.

The NRC shall have the necessary resources to perform its duties and may obtain the assistance of internal management/professional advice or independent professional advice where necessary. Furthermore, if there is a need, the NRC may utilise independent sources (such as any available directors’ registry, industry and professional associations, open advertisements or independent search firms) to identify suitable candidates for directorship.

NOMINATION & REMUNERATION COMMITTEE REPORT

SUMMARY OF WORK OF THE NOMINATION & REMUNERATION COMMITTEE

The summary of work and the main matters that the NRC considered during the reporting financial year are described below:

a. Annual Evaluation of the Directors and the Board

The Company has conducted the annual evaluation exercise of the Board whereby the NRC reviewed the performance of the individuals Directors, the Board Committees and the effectiveness of the Board including the its size, balance and mix of skills. Furthermore, the NRC has also reviewed the performance of the Board Chairman, the Managing Director and evaluated the independence of the Independent Directors. The evaluation process and assessment criteria are disclosed in para A3.3 under section on 'Corporate Governance Overview Statement' of the Annual Report. Besides the evaluation carried out on the Directors, the Chief Financial Officer was also assessed on his competency, contribution and character by all Directors, and the results were submitted to the NRC for review during the year.

The NRC had reviewed the annual evaluation and reported the outcome to the Board accordingly in which the Board is satisfied with the overall results of the annual evaluation above.

b. Board Recruitment, Appointment and Re-election Process

During this reporting period, the NR Committee has reviewed and recommended the following to the Board:

- (i) to seek the re-election of Datuk Hong Ngit Ming and Mr. Wong Peng Mun in which the Board has included these in the agenda at the forthcoming Annual General Meeting ("AGM"); and
- (ii) to retain Mr. Tham Vui Vun, Mr. Wong Peng Mun and Mr. Fung Hiuk Bing in the capacity as Independent Director, in which the Board has also included these in the agenda at the forthcoming AGM.

c. Board Remuneration

During the reporting period, the NRC had reviewed the remuneration package of the Managing Director, Executive Director and the Directors' fee, in which the Board has proposed to seek shareholders' approval for the payment of the Directors fee for the next financial year, at the forthcoming AGM, whereas the detailed remuneration of the Managing Director, Executive Director as well the Directors' fee for the current financial year are disclosed in para A4.2 under the section on "Corporate Governance Overview Statement" of this Annual Report.

AUDIT & RISK MANAGEMENT COMMITTEE REPORT

CONSTITUTION, COMPOSITION AND MEETINGS

The Board has established the Audit Committee and the Risk Management Committee on 15 June 1996 and 23 December 2003 respectively and these two committees were merged into the present Audit & Risk Management Committee (“ARMC” or “the Committee”) on 22 January 2018.

The composition of the ARMC has complied with the requirements and/or restrictions on its memberships as stated in its terms of reference and in accordance with the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) and also applied the practice as set out in the Malaysian Code on Corporate Governance (“the Code”):

- The Committee members are appointed from amongst its directors by the Board;
- The Committee shall consist of no less than three (3) members and all members of the Committee must be non-executive directors, with a majority being independent directors;
- The Committee shall consist of at least one (1) member who is a member of Malaysian Institute of Accountants or complied with the conditions stipulated in the MMLR or as prescribed or approved by Bursa Malaysia;
- No alternate director of the Board shall be appointed as a member of the Committee;
- The Committee shall elect a chairman from amongst its member who is an independent director;
- The chairman of the Committee is not the chairman of the Board.

The membership and the number of meetings held for the reporting financial year together with the detail of attendance of each committee member are as follows:

Name of Independent Non-Executive Director	Committee Position	Number of Meetings		Attendance Record
		Attended	Held	
Mr. Fung Hiuk Bing (MIA 11342*)	Chairman	5	5	100%
Mr. Tham Vui Vun (MIA 3667*)	Member	5	5	100%
Mr. Wong Peng Mun	Member	5	5	100%

* denotes the membership number of the Malaysian Institute of Accountants

There is no change to the composition of the ARMC’s members as at the date of this Annual Report.

OBJECTIVE, POWERS AND DUTIES

The principal objective of the ARMC is to assist the Board in fulfilling its fiduciary responsibilities and overall responsibilities of the Group’s activities, primarily to provide oversight of the financial reporting process, the audit process, internal control system and risk management process, corporate governance matters and compliance with laws and regulations.

The ARMC has the authority to investigate any matters within its terms of reference and shall report to the Board on matters considered and any recommendations thereof. It shall have the necessary resources to perform its duties and have the unrestricted access to any information of the Group and direct communication channel with internal auditors and external auditors, discretion to invite any directors and employees of the Group to attend its meetings and is able to obtain independent professional advice.

Where the ARMC is of the view that a matter reported by it to the Board has not been satisfactory resolved resulting in a breach of MMLR, the ARMC has a duty to report such matter to Bursa Malaysia.

AUDIT & RISK MANAGEMENT COMMITTEE REPORT

SUMMARY OF WORK OF THE AUDIT & RISK MANAGEMENT COMMITTEE

The summary of work and the main matters that the ARMC considered during the reporting financial year are as follow:

1. Oversight of the Financial Reporting Process

During the financial year, the ARMC has discussed and reviewed the:

- Unaudited Interim Financial Statements for each quarter ended during the financial year; and
- The Audited Annual Financial Statements.

In the review of such Financial Statements, the ARMC had focused on the following key areas:

- changes in or implementation of major accounting policy changes;
- compliance with accounting standards and other legal requirements;
- significant matters highlighted including financial reporting issues, significant judgements made by management, significant and unusual events or transaction and how these matters are addressed, if any; and
- any significant adjustment arising from audit.

The ARMC had carried out the review of the Interim and Annual Financial Statements on a timely basis and make recommendation to the Board for approval of the said Financial Statements. The ARMC had also noted that the Financial Statements were released or announced within the time stipulated in the MMLR.

2. Oversight of the External Audit Function

The ARMC had reviewed with the external auditors, their audit plan prior to commencement of audit for the financial year, outlining the audit scope, methodology and timetable, audit materiality, area of focus, fraud considerations and risk of management override and the proposed audit fees.

The ARMC had reviewed the external audit reports, discussed and considered the audit findings and management response thereto. It also had met with the external auditor in the financial year without the presence of the management to discuss privately on any audit issues concerning the Group.

It had evaluated the performance of the external auditors covering areas such as the quality of audit team, adequacy of resources, the skills and knowledge including knowledge of the business and industry in which the Group operates, their demonstration of objectivity and independence throughout the audit as well as the level of audit and non-audit fees of the external auditors.

The ARMC having been satisfied with the suitability and independence of the external auditors had recommended to the Board to seek shareholders' approval at the forthcoming Annual General Meeting to re-appoint the external auditors, PKF PLT for the ensuing financial year audit.

3. Oversight of Internal Audit Function

During the reporting financial year, the ARMC had reviewed and approved the Internal Audit Plan prepared by in-house internal auditor for the financial year to ensure there is adequate scope, sufficient coverage over the activities of the Group and the resources are adequate and available to perform the audit activities for each audit cycle.

The audit work conducted by the Internal Auditor (as disclosed herein below under the heading "Summary of Work of the Internal Audit Function") were reviewed by the ARMC on a quarterly basis through meetings held with the Internal Auditor and management to discuss and consider the internal audit reports, the internal audit findings and recommendations to improve weaknesses or non-compliance, the management responses thereto and sought updates from the Internal Auditor on the status of implementation of post-audit recommendations which has been agreed by the management or the Board.

AUDIT & RISK MANAGEMENT COMMITTEE REPORT

SUMMARY OF WORK OF THE AUDIT & RISK MANAGEMENT COMMITTEE (CONT'D)

The summary of work and the main matters that the ARMC considered during the reporting financial year are as follow: (Cont'd)

3. Oversight of Internal Audit Function (Cont'd)

The ARMC has also carried out an annual assessment of the internal audit function, obtained the confirmation of the in-house internal auditor's organizational independence, the independence and objectivity of the internal audit team and conformance with recognized framework in carrying out the internal audit. It has also held a private meeting with the internal auditor to discuss any audit issues without the presence of management.

The ARMC having evaluated the performance of the internal audit function in areas of the scope, functions, competency, independence, resources, communication and reporting process is satisfied with the adequacy and effectiveness of the internal audit function of the Company.

4. Oversight of Risk Management

The ARMC reviewed and reported to the Board accordingly on the key risks review, and measures undertaken by the Group to address such risks that are likely to affect the core business of the Group. However, it should be acknowledged that the risk management and internal control systems are designed to manage rather than to eliminate the risk of failure in achieving strategic and business objectives, and can only provide reasonable, but not absolute, assurance against material loss or misstatement.

In coming financial year 2025, the ARMC has suggest to implement the Group's Enterprise Risk Management ("ERM") framework to ensure an appropriate, relevant and effective ERM Framework is in place and recommended the same for Board approval on an annual basis.

5. Other Oversight Activities

5.1 Related Party Transactions

The ARMC reviewed the related party transactions entered into by the Group and any conflict-of-interest situation that may arise within the Group and ensured that such transactions are at arms length's basis and considered whether such transactions will require the necessary announcement and shareholders' approval.

During the reporting financial year, the ARMC reviewed the related party transactions and adequacy of the Group's procedures and processes in identifying, monitoring, reporting and reviewing related party transactions in a timely and orderly manner.

It had reviewed the draft circular to shareholders in relation to the proposed renewal of shareholders' mandate and shareholders' mandate for additional Recurrent Related Party Transactions and recommended the same for Board approval.

5.2 Annual Report

The ARMC reviewed and recommended the "Audit & Risk Management Committee Report" and the "Statement on Risk Management and Internal Control" in respect of the financial year ended 31 January 2024 to the Board for consideration and approval for inclusion in the Annual Report.

AUDIT & RISK MANAGEMENT COMMITTEE REPORT

SUMMARY OF WORK OF THE INTERNAL AUDIT FUNCTION

In discharging the ARMC's duties and responsibilities, the ARMC is supported by an in-house internal audit that is independent of the activities that it audits. The cost incurred for the internal audit function in respect of the financial year under review amounted to RM68,900 based on Annual Budget financial year 2024.

The ARMC has full access to the internal auditors and has received reports at its quarterly meeting on audit performed during the financial year on the following areas:

- comparison of prices of purchase of palm kernels from related companies, sales of fresh fruit bunches and sales of crude palm kernel oil to related companies;
- comparison of actual recurrent related party transactions against those transactions which are comprised in the Mandate approved by shareholders of the Group to ensure established procedures are strictly followed and adhered to including any variations of 10% or more;
- comparison of actual related party transaction (other than revenue nature) against an annual limit of RM500,000 to ensure detection and announcement disclosure can be made in a timely manner; and
- adequacy, integrity and adherence to internal control system, focusing on key internal controls pertaining to the core business process namely inventory management of the Industry Division.
- Performed interim and year stock take and physical verification of fixed assets in Tawau Cocoa Estate Sdn Bhd, Majulah Koko Tawau Sdn Bhd and Cacao Paramount Sdn Bhd.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors (“the Board”) of Teck Guan Perdana Berhad is pleased to provide the following Statement on Risk Management and Internal Control (“the Statement”) pursuant to paragraph 15.26(b) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad which outlines the nature and state of risk management and internal control of the Group for the financial year ended 31st January 2024. This is in accordance with the guidelines as contained in the publication “Statement on Risk Management & Internal Control – Guidelines for Directors of Listed Issuers”.

BOARD RESPONSIBILITIES

The Board’s role is to ensure that the Group has an effective risk management system and efficient internal processes. They also need to ensure that it is functioning properly. The risk management system and internal control is designed to assist the company in recognizing and addressing potential risks and in reaching its objectives. The Board acknowledges that no system can completely eradicate risk, so they view the Group’s risk management as a continuous process to mitigate rather than eliminate the risk of not achieving business objectives. This system offers a measure of protection against mistakes, fraud, or loss, but it is not without its limitations.

RISK MANAGEMENT

The Group recognizes risk management as an integral part of system of internal control and good management practice in pursuit of its strategic objectives. The Board is assisted by the Audit & Risk Management Committee (“ARMC”) to undertake the audit and risk oversight role within the Group.

The Group has in place an on-going risk management process consist of Risk & Internal Audit Department that coordinates with the risk owners to identify and documenting major risks, assessing the potential impact and likelihood of occurrence, and mitigate controls through the adoption of risk management methodology and approach. The Group’s financial performance and operations are influenced by a vast range of risks factor. Under the risk management framework, the Group aims to manage and monitor the following principal risks through regular review and reporting:

- (a) The Group’s day-to-day operational risks includes those relating to supply chain, production, marketing, safety & health and compliance with laws and regulations and various certifications and quality accreditations are mainly managed at the business and support unit level and guided by standard operating procedures. Whereas the operational risks that cut across the organization include those relating to resource planning, treasury management and group sustainability are coordinated centrally.
- (b) The Group is exposed to various financial risks relating to credit, liquidity, interest rates, foreign currency exchange rates, and market prices. The Group’s risk management objectives and policies, coupled with the required quantitative and qualitative disclosures relating to its financial risks are set out in Note 32 to the Financial Statements of this Annual Report.

Audit & Risk Management Committe (“ARMC”) has suggested to implement the Group’s Enterprise Risk Management (“ERM”) Framework to ensure an appropriate, relevant and effective ERM Framework for coming financial year 2025.

INTERNAL CONTROL SYSTEM

Some key aspects of the Group’s system of internal control are as follows:-

- The ARMC monitors the effectiveness of the entire Group’s system of internal control. ARMC comprises of all non-executive directors, all of whom are independent and holds regular meetings throughout the financial year. The current composition of members, with two who are members of an accounting association or body, brings with them a wide variety of experience from different fields and background. Members have full and unrestricted access to both the internal and external auditors during the financial year;
- ARMC reviews and approves the yearly Audit Plan;

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL CONTROL SYSTEM (CONT'D)

Some key aspects of the Group's system of internal control are as follows:- (Cont'd)

- ARMC members are briefed and updated on the matters of corporate governance practice, legal and regulatory matters. The Internal Audit Department reports directly to the ARMC on internal control issues identified. The ARMC then reports to the Board on the findings and makes recommendations on possible action plans to improve and tighten the system of internal control of the Group;
- Regular meetings are held to assess performance and controls on all areas of operations with recommendations for improvements;
- Clear lines of responsibilities and appropriate authority levels are in place for the Management and operating units including matters requiring Board's approval. Key functions within the Group such as Sales and Marketing, Finance and Procurement are appropriately staffed by qualified staff in achieving business objectives;
- Regular and comprehensive information provided to the Management and the Board, encompassing financial and operational performance for monitoring and decision making. The Finance and Accounts Department adheres closely to the monthly closing and reporting period, timely transaction recording, full compliance to acceptable reporting standards, and ensuring proper cash flow and capital requirements;
- Purchasing procedures are documented and monitored;
- A set of documented internal policies and procedures in relation to matters on human resource is distributed to various sections for their execution and monitoring; and
- The quarterly financial results and yearly audited financial statements are reviewed by the ARMC prior to their approval by the Board.

ADEQUACY AND EFFECTIVENESS OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

A number of minor internal control weaknesses were identified during the year, all of which has been or is being addressed. None of the weaknesses have resulted in any material losses, contingencies or uncertainties that would require a disclosure in the Annual Report. The Board has received assurance from the Managing Director and the Group Chief Financial Officer that the Group's risk management and internal control system is operating adequately and effectively in all material aspects. It is of the view that the risk management and internal control system in place for the whole financial year under review with regular review by the Board, is satisfactory and no material internal control failures nor have any of the reported weaknesses resulted in material losses or contingencies during the financial year under review.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors have reviewed this Statement on Risk Management & Internal Control pursuant to the scope set out in the Audit and Assurance Practice Guide 3 (AAPG 3), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants for inclusion in the Annual Report of the Group for the year ended 31st January 2024, and reported to the Board that nothing has come to their attention that caused them to believe that the Statement intended to be included in the Annual Report of the Group, in all material aspects:

- has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers; or
- is factually inaccurate.

AAPG 3 does not require the External Auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board and Management thereon. The Auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the Annual Report will, in fact, remedy the problems.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

IN RESPECT OF THE AUDITED FINANCIAL STATEMENTS

The Board of Directors is required under Paragraph 15.26 (a) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad to issue a statement on its responsibility in the preparation of the annual audited financial statements.

The Directors are responsible for ensuring the financial statements for the year ended 31 January 2024 are drawn up in accordance with the provisions of the Companies Act 2016, the applicable Financial Reporting Standards in Malaysia and Main Market Listing Requirements of Bursa Malaysia Securities Berhad so as to give a true and fair view of the state of affairs of the Group and the Company as at the end of accounting year and the results and cash flows for the year then ended.

The Directors consider that, in preparing those financial statements, the Group and Company have used appropriate accounting policies and applied them consistently and make judgement and estimates that are reasonable and prudent. The Directors also confirm that the financial statements have been prepared on a going concern basis.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and the Company and which enable them to ensure that the financial statements comply with the provisions of the Companies Act, 2016 and applicable approved accounting standards in Malaysia.

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and the Company and to prevent and detect fraud and other irregularities.

The Board has also ensured that the quarterly and annual financial statements of the Group and Company are released to the Bursa Malaysia Securities Berhad in a timely manner in order to keep our investing public informed of the Group's latest development.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS

The Company did not raise any fund through any corporate proposal during the reporting financial year.

2. MATERIAL CONTRACTS INVOLVING DIRECTORS AND MAJOR SHAREHOLDERS

During the financial year under review, Tawau Cocoa Estate Sdn. Bhd., a wholly-owned subsidiary of the Company has entered into a Related Party Transaction ("RPT") involving the interests of its Directors and major shareholders with Teck Guan Development (Sabah) Sdn Bhd a Company 100% owned by Teck Guan Holdings Sdn Bhd which is subsidiary of HTG Holdings Sdn Bhd. HTG Holdings Sdn Bhd is the holding company of Teck Guan Perdana Berhad.

The Board of Directors (save for Datuk Hong Ngit Ming and Ms. Hong Kun Yee) has considered all aspects of the RPT and is of the opinion that the transaction is fair, reasonable on normal commercial terms and not detrimental to the interest of the minority shareholders and that the RPT is in the best interest of the Group.

There were no contracts relating to loans entered by the Company and its subsidiaries involving the directors and major shareholders' interests.

3. RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE NATURE

At the last Annual General Meeting of the Company held on 27th June 2023, the Company had obtained a Mandate from its shareholders to allow the Group to enter into recurrent related party transactions of revenue or trading nature. The details of the recurrent related party transactions conducted pursuant to the shareholders' mandate during the reporting financial year are set out in Note 29 to the Financial Statements of this Annual Report, disclosing the type of recurrent related party transactions, the parties involved and the relationship with the Company.

4. EMPLOYEE SHARE SCHEME

There was no Employee Share Scheme implemented by the Company during the reporting financial year.

SUSTAINABILITY STATEMENT

ABOUT THIS STATEMENT

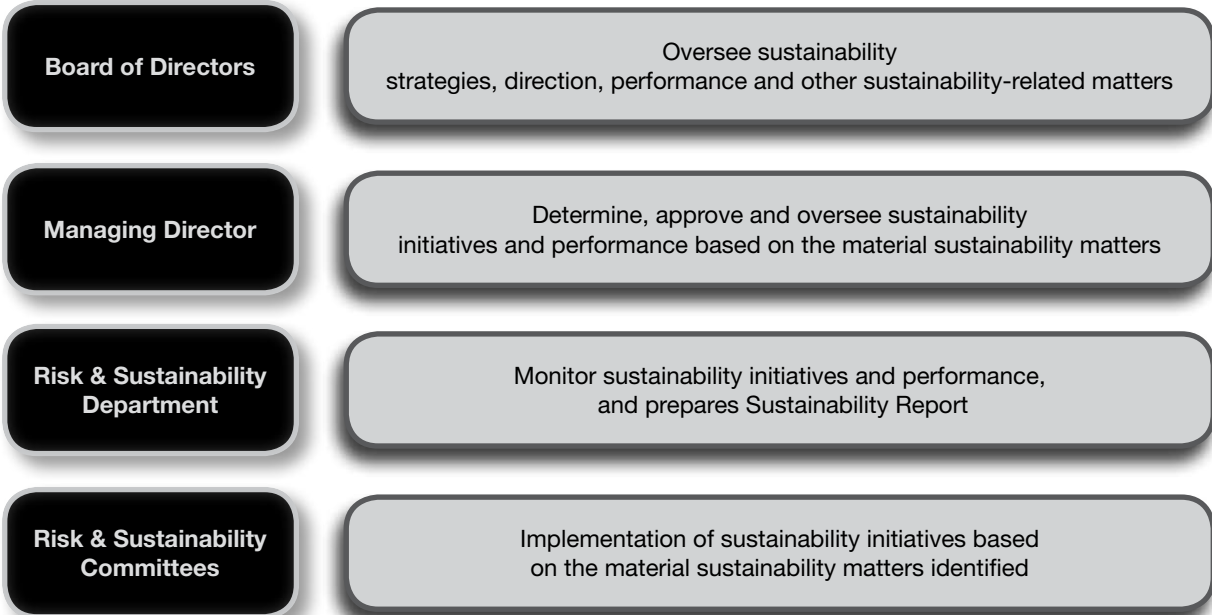
Teck Guan Perdana Group (“the Group”) recognizes sustainability as one of the drivers towards the Group’s continuous and long-term business activities. The Group remains committed to constantly improve its sustainability-related initiatives to deliver value to sustainable business, environmental management, and social accountability throughout the Group’s business activities.

This statement is prepared in accordance with Bursa Malaysia Securities Berhad’s Sustainability Reporting Guidelines and Main Market Listing Requirements.

SCOPE

The scope of this Sustainability Statement comprises of the Group’s various activities in Malaysia which include among others the operation of kernel crushing plant and oil palm & cocoa estates, and focuses on the economic, environmental and social impact that are most material to both our organization and stakeholders for the financial year ended 31 January 2024.

SUSTAINABILITY GOVERNANCE



SUSTAINABILITY STRATEGY, PRIORITIES, TARGETS AND STATUS REVIEW

For the financial year ended 31 January 2024, the Group has stepped up its sustainability efforts by developing sustainability strategy, priorities and targets. The sustainability strategy is set by the Board of Directors and purposely aligned with the Group’s vision of “Craving to Serve Humanity”. The targets, which are based on the sustainability priorities guided by the United Nations Sustainable Development Goals (“SDG”) as a basis, are developed, implemented and monitored by the Risk & Sustainability Committees from various business units.

SUSTAINABILITY STATEMENT

SUSTAINABILITY STRATEGY, PRIORITIES, TARGETS AND STATUS REVIEW (CONT'D)

STRATEGY

- We are committed to create impacts by operating in a sustainable manner and responsibly benefitting to humanity.

PRIORITIES

- SDG 1: No Poverty
- SDG 2: Zero Hunger
- SDG 3: Good Health and Well-being
- SDG 4: Quality Education
- SDG 5: Gender Quality
- SDG 6: Clean Water and Sanitation
- SDG 7: Affordable and Clean Energy
- SDG 8: Decent Work and Economic Growth
- SDG 9: Industry, Innovation and Infrastructure
- SDG 11: Sustainable Cities and Communities
- SDG 12: Responsible Consumption and Production
- SDG 13: Climate Action
- SDG 14: Life Below Water
- SDG 15: Life on Land
- SDG 16: Peace, Justice and Strong Institutions
- SDG 17: Partnerships for the Goals

Aspect	Target	Status FYE 2024	UN SDGs Contributions
Economy	Maintain certification of Malaysian Sustainable Palm Oil ("MSPO") Standards and MSPO Supply Chain Certification Standard ("SCCS").	Achieved target, all estates and KCP are MSPO and SCCS certified since 2019, next recertification is 2024.	SDG 12 SDG 17
Environment	Legal compliance to water resources, biodiversity, environment and safety & health rules, regulations and guidelines.	Achieved target, no legal violation recorded.	SDG 3 SDG 6 SDG 12 SDG 14 SDG 15
	Protect forest reserve adjacent to Quoin Hill estate by maintaining forest reserve buffer zone.	Achieved target, no encroachment recorded.	SDG 15
	Monitor Rare, Threatened and Endangered ("RTE") policy to protect wildlife at all estates.	Achieved target, no incident of breach.	SDG 15
	Maintain zero burning at all estates.	Achieved target, no fire incident recorded.	SDG 13 SDG 15

SUSTAINABILITY STATEMENT

SUSTAINABILITY STRATEGY, PRIORITIES, TARGETS AND STATUS REVIEW (CONT'D)

Aspect	Target	Status FYE 2024	UN SDGs Contributions
Social	Protective Personal Equipment (“PPE”) are provided free of charge to all our employees.	Achieved for all existing workers as per their job scope, and ongoing for new workers.	SDG 3
	Achieve zero fatalities in all operational units.	Achieved target, there were no cases of fatality reported.	SDG 3
	Training on an annual basis by Sustainability Department to achieve minimal injuries and zero fatalities.	Achieved target, all employees underwent Safety & Health trainings on an annual basis.	SDG 3
	Comply with International Labour Organisation (“ILO”) guiding principles on human rights and child labour.	Achieved target, no legal violation recorded.	SDG 3 SDG 8
	Maintain physical security to ensure no theft or criminal case.	No theft or criminal case recorded.	SDG 3

STAKEHOLDERS ENGAGEMENT

Stakeholders encompass individuals, communities and entities. The company systematically analyse and comprehends the potential impact that each stakeholder may have on or experience from the operating unit/s. The company prioritizes open and transparent communication and engagement with stakeholders to grasp their distinct needs and expectations concerning the company sustainability performance.

Below is a summary table outlining the engagement process with the company stakeholders:

Principal Stakeholder	Communication Platform	Principal Themes	Frequency
Government Bodies and Regulatory Agencies	<ul style="list-style-type: none"> External Stakeholder Meeting Site Inspection and Audit Assessment Information session and Instructional Program 	<ul style="list-style-type: none"> Adhere to legal compliances Guidelines and Optimal Best Practise 	Annually / As necessary
Clients / Customers / Investors / Consultant	<ul style="list-style-type: none"> Site visit External Stakeholder Meeting Negotiating contractual terms 	<ul style="list-style-type: none"> Contentment with contract services Prompt delivery and shipping Report verification 	Annually / As necessary

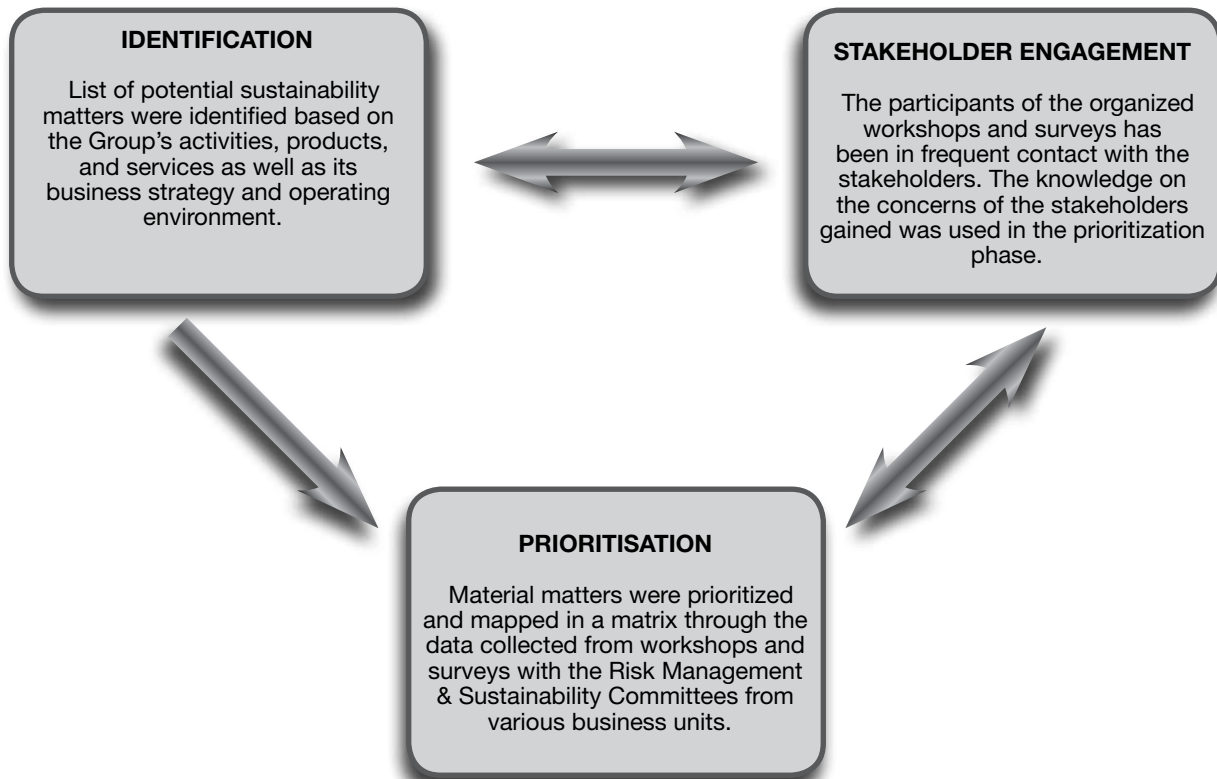
SUSTAINABILITY STATEMENT

STAKEHOLDERS ENGAGEMENT (CONT'D)

Principal Stakeholder	Communication Platform	Principal Themes	Frequency
Employees	<ul style="list-style-type: none"> Internal Stakeholder Meeting Staff Initiation Comprehensive Training Committee Meeting 	<ul style="list-style-type: none"> Individual Progress and Professional Growth Staff Welfare and Perks Safety and Well-being in the Workplace 	Quarterly / As needed
Non - Government	<ul style="list-style-type: none"> Face to face meeting Documentation Review 	<ul style="list-style-type: none"> Sustainability Commitment Human & Workers Right 	As needed

MATERIAL SUSTAINABLE MATTERS

Material sustainability matters are those that have a significant impact on the Group’s business activities and all its stakeholders. The materiality assessment is performed through a guided method, using Bursa Malaysia’s Sustainability Reporting Guide as illustrated below:



SUSTAINABILITY STATEMENT

ECONOMIC SUSTAINABILITY: MANAGING SUSTAINABLE BUSINESS

Economic Performance

The Group believes sustainable returns play a big part in enhancing stakeholders' value. Profitability in the Group's business enables the Group to reinvest its earnings into the operating environment including providing job opportunities and improving the living standards of our employees and surrounding local communities.

The Group's operations are affected by uncertainties such as seasonal crop production, climatic conditions and fluctuating commodity prices. The Group managed its economic performance by aggressively focussing on enhancing productivity and operating cost optimisation to mitigate the negative impact caused by the uncertainties.

In FY2024, the Group created a direct economic value of RM294.2 million, a decrease of 40% from the last financial year and distributed a total economic value of RM290.8 million in the areas of operating cost, employees' wages and benefits, interests, and taxes. The following table provides the breakdown of this summary:

	FY 2024	FY 2023	Changes
	(RM Million)	(RM Million)	%
<i>Direct Economic Value Generated</i>			
Revenue	294.2	489.7	-39.9
<i>Economic Value Distributed</i>			
Our Suppliers: Operating Costs	275.1	437.5	-37.1
Our Employees: Wages & Benefits	8.5	7.2	18.1
Our Lenders: Payments to Lenders	1.7	2.7	-37.0
The Government: Payments to Government	5.5	8.1	-32.1
Total	290.8	455.5	-36.2

SUSTAINABILITY STATEMENT

ECONOMIC SUSTAINABILITY: MANAGING SUSTAINABLE BUSINESS (CONT'D)

Certifications

The Group recognises positive economic, environmental and social impacts, in addition to better and sustainable management and practices through relevant certifications. By committing to build a traceable, transparent and sustainable production, processing and manufacturing through certifications, the Group will sustain its position to better enhance its stakeholders' values.

As the Group acknowledges that certifications are important for implementation of recognised systems and adherence to relevant legal requirements and industry practices, the Group has in place a Sustainability Department which will oversee and responsible for the overall certification and sustainability activities of the Group. Outlined below are the obtained and planned certifications to date for each business units under the Group's Sustainability Department:

Business Units	Certification(s) Obtained	Certification Planned
Agriculture	<ul style="list-style-type: none"> Malaysian Sustainable Palm Oil ("MSPO Part 3: General Principles for Palm Plantation and Organised Smallholders.") – all estates (since 2019) 	<ul style="list-style-type: none"> Roundtable Sustainable Palm Oil ("RSPO") – certified expected by 2025.
Industry	<ul style="list-style-type: none"> International Sustainability & Carbon Certification ("ISCC") : EU Point of Origin (POME OIL) Malaysian Sustainable Palm Oil (MSPO Part 4: General Principles for Oil Palm Mills) Makanan Selamat Tanggungjawab Industri ("MeSTI") Halal Certification Kosher Certification 	<ul style="list-style-type: none"> Roundtable Sustainable Palm Oil ("RSPO") - certified expected by 2025.
Export & Marketing	<ul style="list-style-type: none"> International Sustainability & Carbon Certification ("ISCC") 	n/a

Ethical Practices

The Group believes that the culture of ethical practices in the working environment contributes towards good relations with customers and suppliers, retaining talented and skilled employees, maintaining positive public perception of the Group, improving financial performance and in the long run sustaining the overall stakeholders' value.

In upholding its position on ethical practices, the Group has adopted a zero-tolerance approach towards bribery and corruption in any form and is committed to behaving professionally, fairly, ethical and with integrity in all its business dealings. To date, the Group has implemented the Anti-Bribery and Corruption Policy, indicating the commitment of the Board of Directors to prevent, deter, and monitor bribery and corruption in the Group's business activities. The Group is also continuously developing preventive measures such as putting in place adequate procedures with parameters set to prevent the occurrence of bribery and corrupt practices.

The Group has also formulated a Code of Ethics and Conduct to establish the standard of ethical behaviour expected from the Directors, management, and employees and Whistleblowing Policy to promote internal and external stakeholders to disclose any malpractice or misconduct involving fraud, bribery, corruption and other irregularities, and to provide them with protection once they have done so.

SUSTAINABILITY STATEMENT

ECONOMIC SUSTAINABILITY: MANAGING SUSTAINABLE BUSINESS (CONT'D)

Ethical Practices (Cont'd)

The Anti-Bribery & Corruption Policy, Code of Ethics & Conducts and Whistleblowing Policy are accessible through the Company's website at <http://www.teckguan.com/tgp>.

During the period under review, the Group has not received any complaints nor reports of any improper conduct within the Group, nor instances of corruption involving management, employees, workers and third parties associated with the Group.

ENVIRONMENTAL SUSTAINABILITY: ENVIRONMENTAL STEWARDSHIP

Water Management

Water resources is of utmost importance to the environment, human health and local wildlife. The Group's operation especially its estates relies heavily on water resources either for crop, human and wildlife consumptions. If poorly managed, it is vulnerable to depletion. So, the Group strive to optimise the usage of water without jeopardising the environment.

In view of the importance for water to be appropriately managed, measures were carried out to utilize water effectively, reduction of water consumption, and identification of water pollution sources. During the period under review, the following measures have been put in place:

- Establishment of man-made cement tank at different points in the estate blocks to store rain water at the Group's oil palm estates;
- The fitting of workers' housing with water tanks to harvest and store rain water at the Group's oil palm estates;
- Stacking of oil palm fronds along the inter-row of oil palm trees to retain moisture at the Group's oil palm estates;
- Application of Empty Fruit Bunch (EFB) at the Group's oil palm estates as mulch to retain soil moisture;
- Maintenance of buffer zones and riparian reserves at the Group's oil palm estates to minimise soil run-off and act as a filter to minimize pollution to the waterways;
- Loading of crude palm kernel oil to sea vessel is done by using piping system instead of container tank (flexi-bag) delivery to minimize spillage into the water system during the loading process; and
- Regular maintenance of drainage and water pipe system in the Group's estates, kernel crushing plant, and chocolate factory.

Environmental Compliance

Irresponsible environmental use causes depletion of resources and disruption of operations. This confers on the Group a special obligation as the Group's nature of business specifically oil palm estates are operating at natural environment areas. For this reason, the Group is committed to always stay within the local, federal and international environmental rules and regulations such as the:

- ✓ Environment Protection Enactment 2002 – Environment Protection Department;
- ✓ Environmental Quality Act 1974 – Department of Environment;
- ✓ Forest Enactment 1968 – Sabah Forestry Department;
- ✓ Wildlife Enactment 1997 – Sabah Wildlife Department;
- ✓ Sabah Biodiversity Enactment 2000 – Natural Resources Office Sabah;
- ✓ Water Resources Enactment 1998 – Drainage and Irrigation Department;
- ✓ Pesticides Act 1974 – Agriculture Department;
- ✓ Parks Enactment 1984 – Sabah Parks; and
- ✓ Stockholm Conference 1972 – United Nations.

SUSTAINABILITY STATEMENT

ENVIRONMENTAL SUSTAINABILITY: ENVIRONMENTAL STEWARDSHIP (CONT'D)

Environmental Compliance (Cont'd)

Compliance is achieved through the following initiatives and measures:

- High Conservation Value assessment, awareness program and monitoring;
- Provision of riparian reserve for ecological functions;
- Water management in terms of quality and quantity;
- Monitoring on rubbish pit to ensure proper domestic waste management;
- Scheduled waste disposal and management;
- Awareness program on triple rinse procedure to premix operator for pesticide;
- Prohibition of open burning at all times through Environmental Policy;
- Prohibition of illegal hunting; and
- Implementation of No Deforestation, Peat & Exploitation (“NDPE”) policy.

In the FYE 2024 period, no reported material deviations were causing the risk of environmental effects.

SOCIAL SUSTAINABILITY: SOCIAL ACCOUNTABILITY

Human Right

No organization or company can stand alone. Teck Guan Group believes that social sustainability involves a business understanding that leaves an impact either directly or indirectly on the relationship between the company and the community.

Teck Guan Group highly values the work performance carried out by all employees under the supervision of competent and authoritative staff. Teck Guan group also invest in its staff and workers through development and training programs to build efficiency, job skills, leadership, and knowledge in the field of work, as well as personal character development over the long term to fulfil the company’s vision and mission, as well as career aspirations, by emphasizing continuous learning based on the Sabah Labor Ordinance. This is also in line with the International Labor Ordinance and Human Right Policy that have been established and approved by the top management of Teck Guan Group.

No Forced Labour and No Child Labour

Teck Guan Group prohibits forced labour among its employees. This issue is also explicitly stated in the Human Rights Policy adopted by Teck Guan Group, where no employer or management personnel is allowed to force an employee to perform work through violence or intimidation in any form, such as political coercion or punitive measures, to ensure that employees work solely to enhance the company’s profits. Teck Guan Group strongly condemns and takes child labour in the industrial and plantation sectors very seriously. The group does not condone any practices involving the employment of child labour to carry out site operations and prohibits the presence of children in industrial and plantation areas.

Worker’s Organization

This organization also respects the human rights of all workers under its umbrella, where all employees have the right to join or form workers’ organizations, including labour unions. Teck Guan Group believes that nurturing employees well and professionally through a good working environment can further enhance the company’s productivity through collaboration between managements and workers.

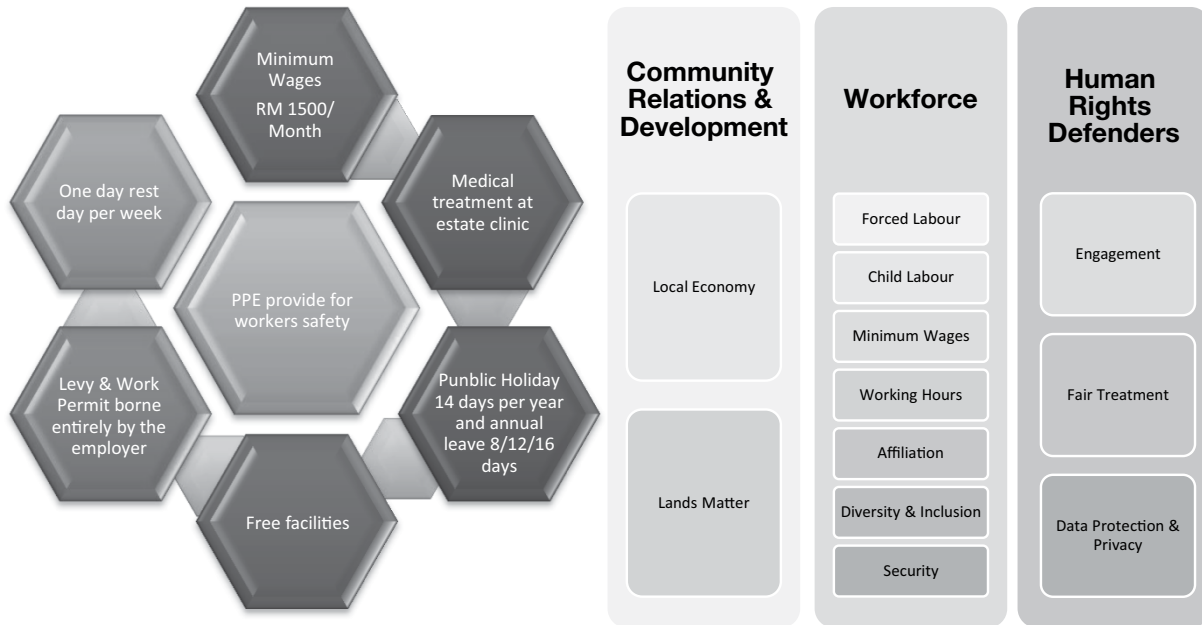
SUSTAINABILITY STATEMENT

SOCIAL SUSTAINABILITY: SOCIAL ACCOUNTABILITY (CONT'D)

Worker's Organization (Cont'd)

Teck Guan Group supports the principles of justice and no discrimination is allowed among employees. The organization also practices a non-discriminatory and fair attitude toward all workers and staff working under the company. The principle of no discrimination aims to treat all employees equally, free from legal and unethical discrimination, such as gender, race, religion/faith, ethnic origin, physical disability, age, and sexual orientation. It also aims to build a work environment based on meritocracy. The group places strong emphasis on its stance against any activities involving forced labour, exploitation, human trafficking, sexual harassment or abuse of power, debt bondage to employers, and the proper documentation for foreign workers. Teck Guan Group also employs female workers, who constitute a minority at each operation site of the company. The group ensures that these minority groups are protected, not oppressed and received equal treatment.

To ensure that employees are prepared and equipped with strength, skills, efficiency, leadership, and various knowledge in all types of work within the palm oil plantation and processing industry, various training sessions, workshops and seminars have been organized and conducted based on the specific job requirements and in compliance with company and national legal requirements. Among the organizations providing competency training to the staff and employees of Teck Guan Group are NIOSH, Enviro Academy, Fire & Rescue Dept Malaysia, Dept of Environment and many more.



The group will ensure that all salaries and terms & condition of employment meet or exceed the minimum wages standards based on the Sabah Labor Ordinance. In addition, the employer also provides other benefits to all employees at each operation site, such as health facilities, childcare facilities for all employees and staff, comfortable and safe housing, free water, and electricity supply, as well as morning education assistance for the children of foreign workers.

Various community projects launched in year 2023 have been reviewed, including blood donation drives, contributions to communities around the Teck Guan Group organization's neighbouring areas, and many more.

Teck Guan Group also offers industrial and plantation practical training to male and female students from higher education institutions around the Teck Guan Group area, as well as external educational institutions. At the end of the practical training, the management will conduct an assessment and identify potential candidates to fill vacancies within the company based on the job requirements at each plantation or factory operation site.

SUSTAINABILITY STATEMENT

SOCIAL SUSTAINABILITY: SOCIAL ACCOUNTABILITY (CONT'D)

EMERGENCY RESPONSE TEAM (ERT)

Based on financial year 2024, Kernel Crushing Plant was involved in Emergency Response Team (ERT) training led by the Balai Bomba Bomba Dan Penyelamat (BBP Tawau. The training conducted over 3 days (24.07.2023 - 26.07.2023), included two informative sessions with lectures by competent officers from the BBP Tawau and practical exercises on selected premises.

Occupational Safety & Health

Occupational safety and health are important to sustain the operations of the Group by reducing absences, turnover rate and down-time, ensuring that workplaces are more efficient and productive. Other than that, it is there to protect any visitors, customers, contractors and the general public when they are involved in our business.

The Group is committed to ensuring a safe and healthy workplace for all our employees, visitors, customers, contractors and the general public. The following setup and measures were established in every division:

- Occupational Safety & Health (“OSH”) unit oversee all matters concerning employee’s safety and health;
- Development of OSH Policy based on Occupational Safety and Health Act (“OSHA”) 1994, self-regulation (Safe Operating Procedure) based on Factories & Machinery Act (“FMA”) 1967 and other requirements relevant to safety and health compliance at the Group’s estate;
- Safety committee meeting between management and worker’s representative at a quarterly basis to discuss any unsafe or unhealthy work conditions or practices at the workplace together with recommendations for corrective actions;
- Internal audits and inspection by in-house safety and health officer at specific intervals involving all operations to ensure safety programs are implemented and in compliance with legislative requirements;
- Promotion of a safe working culture through the conduct of workplace inspections, audit and annual training;
- Analyse trends of accidents, near-miss incidents, dangerous occurrences, occupational poisoning and occupational disease occurring at the workplace;
- Personal protective equipment (PPE) is provided for those working in environments exposed to hazards and risks including contractors and visitors. Full compliance with the use of PPE is mandatory and strictly monitored daily;
- Hazard Identification Risk Assessment and Risk Controls (“HIRARC”) system and related facilities are in place to eliminate and reduce hazards;
- Medical and physical check-ups (pre-employment check-up, pesticide handling check-up, audiometry test, spirometry test, and biological monitoring) are regularly conducted for new employees and employees exposed to high noise and chemical exposure level at our estates and kernel crushing plant; and
- Regular safety training programs are conducted to enable employees to understand the work procedures and requirements of the OSHA and also to boost safety and health awareness.

We are pleased to report that in the FYE 2024 period, there were no fatalities reported.

SUSTAINABILITY STATEMENT

Indicator	Measurement Unit	2024
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	2.00
Executive	Percentage	6.00
Non-executive/Technical Staff	Percentage	18.00
General Workers	Percentage	74.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer		
	MYR	0.00
Bursa C2(b) Total number of beneficiaries of the investment in communities		
	Number	0
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	25.00
Management Between 30-50	Percentage	50.00
Management Above 50	Percentage	25.00
Executive Under 30	Percentage	33.00
Executive Between 30-50	Percentage	50.00
Executive Above 50	Percentage	17.00
Non-executive/Technical Staff Under 30	Percentage	16.00
Non-executive/Technical Staff Between 30-50	Percentage	72.00
Non-executive/Technical Staff Above 50	Percentage	12.00
General Workers Under 30	Percentage	32.00
General Workers Between 30-50	Percentage	51.00
General Workers Above 50	Percentage	17.00
Gender Group by Employee Category		
Management Male	Percentage	100.00
Management Female	Percentage	0.00
Executive Male	Percentage	83.00
Executive Female	Percentage	17.00
Non-executive/Technical Staff Male	Percentage	77.00
Non-executive/Technical Staff Female	Percentage	23.00
General Workers Male	Percentage	70.00
General Workers Female	Percentage	30.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	80.00
Female	Percentage	20.00
Under 30	Percentage	0.00
Between 30-50	Percentage	20.00
Above 50	Percentage	80.00
Bursa (Energy management)		
Bursa C4(a) Total energy consumption		
	Megawatt	1.47
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities		
	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")		
	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards		
	Number	7
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	18
Executive	Hours	40
Non-executive/Technical Staff	Hours	40
General Workers	Hours	88
Bursa C6(b) Percentage of employees that are contractors or temporary staff		
	Percentage	0.00
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	1
Executive	Number	2
Non-executive/Technical Staff	Number	2
General Workers	Number	5
Bursa C6(d) Number of substantiated complaints concerning human rights violations		
	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers		
	Percentage	0.00
Bursa (Data privacy and security)		

Internal assurance External assurance No assurance

(*)Restated

SUSTAINABILITY STATEMENT

Indicator	Measurement Unit	2024
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	0.237000

Internal assurance External assurance No assurance

(*) Restated

ANALYSIS OF SHAREHOLDINGS

AS AT 28 April 2024

Total Number of Issued Shares	:	40,096,902
Issued Share Capital	:	RM40,103,902
Class of Shares	:	Ordinary
Voting Rights	:	One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Holders	%	No. of Shares	%
Less than 100	7	0.59	119	0.00
100 – 1,000	192	16.30	134,801	0.33
1,001 – 10,000	768	65.20	3,040,000	7.58
10,001 – 100,000	186	15.79	5,548,000	13.84
100,001 – 2,004,844 (less than 5% of issued shares)	24	2.04	7,397,000	18.45
≥ 2,004,845 (5% and above of issued shares)	1	0.08	23,976,982	59.80
TOTAL	1,178	100.00	40,096,902	100.00

SUBSTANTIAL SHAREHOLDERS

Name of Substantial Shareholders	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
HTG Holdings Sdn. Bhd.	23,976,982	59.80	2,001,200*	4.99

* Deemed interested by virtue of shares held by Teck Guan Development (Sabah) Sdn. Bhd., a subsidiary of HTG Holdings Sdn. Bhd.

DIRECTORS' SHAREHOLDING IN THE COMPANY

Name of Directors	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Datuk Hong Ngjit Ming	–	–	25,978,182*	64.79
Fung Hiuk Bing	–	–	–	–
Hong Kun Yee	–	–	–	–
Tham Vui Vun	–	–	–	–
Wong Peng Mun	–	–	–	–

* Deemed interested by virtue of his indirect interests in shares (direct and indirect) held by HTG Holdings Sdn. Bhd., its holding company.

ANALYSIS OF SHAREHOLDINGS

AS AT 28 April 2024

DIRECTORS' SHAREHOLDING IN ITS RELATED COMPANY (HTG HOLDINGS SDN. BHD.)

Name of Directors	10% Cumulative Preference Shares			
	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Datuk Hong Ngjit Ming	100,000	17.30	–	–
Fung Hiuk Bing	–	–	–	–
Hong Kun Yee	–	–	–	–
Tham Vui Vun	–	–	–	–
Wong Peng Mun	–	–	–	–

Note: The Directors of the Company do not hold any ordinary shares in HTG Holdings Sdn. Bhd.

LIST OF TOP 30 SECURITIES ACCOUNT HOLDERS

No.	Name	No. of Shares	%
1.	HTG Holdings Sdn. Bhd.	23,976,982	59.80
2.	Teck Guan Development (Sabah) Sdn. Bhd.	2,001,200	4.99
3.	Chor King Chun	596,700	1.49
4.	Tan Ai Leng	580,000	1.45
5.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Beh Ah Choo	443,400	1.11
6.	Chong Chiew Tshung	440,000	1.10
7.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lim Gim Leong	352,700	0.88
8.	Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ting Tie Hau	332,000	0.83
9.	Chee Sai Mun	318,300	0.79
10.	Starview Restoran Sdn. Bhd.	250,000	0.62
11.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Mokhtar Bin Md Isa	198,200	0.49
12.	Muhamad Aloysius Heng	195,900	0.49
13.	Choo Woon Meng	177,300	0.44
14.	HLIB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chor King Chun	146,000	0.36
15.	Te Kim Leng	145,000	0.36
16.	Chong Thin Tuck	137,000	0.34
17.	Lee Chee Beng	136,300	0.34
18.	Alliangroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Oii Hock Lai	135,600	0.34
19.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Muhd Adam Low Bin Abdullah	134,200	0.33
20.	Alliangroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Soon Mui Yen @ Soon Nyuk Hen	130,000	0.32

ANALYSIS OF SHAREHOLDINGS

AS AT 28 April 2024

LIST OF TOP 30 SECURITIES ACCOUNT HOLDERS (CONT'D)

No.	Name	No. of Shares	%
21.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Exempt an for CGS International Securities Singapore PTE. LTD. (Retail Clients)	120,000	0.30
22.	Tan Kim Huat & Sons Sdn. Bhd.	110,000	0.27
23.	Adikin Wong Shyh Chyi	108,000	0.27
24.	HLIB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Keh Teng Yang	106,000	0.27
25.	Ng Chee Peng	103,200	0.26
26.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Sin Huan Kwang	100,000	0.25
27.	RHB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Go Ah Yong	100,000	0.25
28.	Tan Kim Huat & Sons Holdings Sdn. Bhd.	100,000	0.25
29.	Teoh Chiew Hong	100,000	0.25
30.	RHB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Yee Lee Ying	95,800	0.24
Total		31,869,782	79.48

LIST OF PROPERTIES AS AT 31 JANUARY 2024

Item No.	Location	Tenure (Date of Expiry)	Land Area/ Build up Area sq.m	Existing use/ Description	Net Book Value As At 31-Jan-24	Age of Building	Tenure of Leasehold Land	Date of Acquisition
1	CL 105339053 Mile 2 ½, Tanjung Batu Laut, Tawau, Sabah.	Leasehold (08.10.2902)	19,627	Cocoa processing factory and office	966,705	46	878	20/11/1974
2	CL 105312703 Quion Hill, Apas Road, Tawau, Sabah.	Leasehold (28.02.2057)	4,028,645	Oil palm	2,918,248	29	33	19/10/1978
3	CL 105339099 Brantian, Merotai Road, Tawau, Sabah.	Leasehold (31.12.2073)	400,234	Oil palm estate	10,538	–	49	11/06/1979
4	CL 105334996 Brantian, Merotai Road, Tawau, Sabah.	Leasehold (31.12.2072)	1,211,629	Oil palm	129,437	17	48	27/01/1977
5	CL 245316849 (115316848/old) Tingkayu, Lahad Datu/Tawau, Sabah.	Leasehold (31.12.2071)	1,216,485	Oil palm	458,679	10	47	28/07/1979
6	CL 105436299 Quion Hill, Apas Road, Tawau, Sabah.	Leasehold (31.12.2079)	16,147	Oil palm	11,557	–	55	18/08/1987
7	CL 105347493 Quion Hill, Apas Road, Tawau, Sabah.	Leasehold (31.12.2069)	81,261	Oil palm estate and Cocoa	42,901	–	45	20/01/1981
8	CL 105354050 Balung, Apas Road, Tawau, Sabah.	Leasehold (31.12.2073)	653,567	Oil palm	308,509	19	49	06/08/1976
9	CL 105439138 Quion Hill, Apas road Tawau, Sabah.	Leasehold (31.12.2083)	13,553	Oil palm estate	6,191	–	59	31/03/1989
10	CL 10105339071 Mile 2 ½, Tanjung Batu Laut, Tawau, Sabah.	Leasehold (08.10.2902)	33,710	Cocoa processing factory and office	5,390,568	29	878	17/12/1981
11	CL 105368607 Sebatik Island, Tawau, Sabah.	Leasehold (31.12.2078)	513,951	Cocoa/ Oil palm estate	555,495	–	54	20/01/2000


LIST OF PROPERTIES

AS AT 31 JANUARY 2024

Item No.	Location	Tenure (Date of Expiry)	Land Area/ Build up Area sq.m	Existing use/ Description	Net Book Value As At 31-Jan-24	Age of Building	Tenure of Leasehold Land	Date of Acquisition
12	CL 245361862 Tingkayu, Lahad Datu, Tawau, Sabah.	Leasehold (31.12.2087)	13,395	Oil palm estate	1,617	–	63	10/12/2003
13	CL 105311260 Merotai, Tawau, Sabah.	Leasehold (31.12.2067)	2,066,325	Fruits and oil palm estate	13,012,131	–	43	02/09/2020
14	CL 115349936 Segama, Lahad Datu, Sabah.	Leasehold (31.12.2077)	1,238,338	Oil palm estate	9,510,703	–	53	04/01/2022
15	CL 1075323661 Mile 32, Labuk Road, Sandakan, Sabah.	Leasehold (31.12.2070)	2,025,452	Oil palm estate	15,104,116	–	46	07/06/2022

FINANCIAL STATEMENTS

62	Director' Report
66	Statement by Directors
66	Statutory Declaration
67	Independent Auditors' Report
70	Statements of Profit or Loss & Other Comprehensive Income
71	Statements of Financial Position
72	Statements of Changes in Equity
73	Statements of Cash Flows
76	Notes to the Financial Statements



DIRECTORS' REPORT

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 January 2024.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of administrative services to its subsidiaries.

The principal activities of the subsidiaries are set out in Note 16 to the financial statements.

RESULTS

	Group RM	Company RM
Profit for the financial year attributable to: Owners of the Company	7,690,042	2,718,198

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year except as disclosed in the financial statements.

DIVIDENDS

Since the end of the previous financial year, the dividends declared by the Company were as follows:

In respect of the financial year ended 31 January 2023:

First and final single-tier dividend of 5.0 sen per ordinary share totalling RM2,004,845 on 40,096,902 ordinary shares, declared on 29 May 2023 and paid on 10 August 2023.

Subsequent to the end of the current financial year, the Board approved the following dividends:

In respect of the financial year ended 31 January 2024:

First and final single-tier dividend of 4.0 sen per ordinary share totalling RM1,603,876 on 40,096,902 ordinary shares, declared on 9 May 2024 and payable on 12 August 2024.

The financial statements for the current financial year do not reflect this first and final single-tier interim dividend. Such dividend will be accounted for in equity as an appropriation of retained profits in the next financial year ending 31 January 2025.

DIRECTORS

The Directors who have held office during the financial year and up to the date of this report are:

Datuk Hong Ngit Ming
Fung Hiuk Bing
Hong Kun Yee*
Tham Vui Vun*
Wong Peng Mun

* These Directors are also Directors of all subsidiaries of the Company.

DIRECTORS' REPORT

DIRECTORS (CONT'D)

Pursuant to Section 253 of the Companies Act, 2016 in Malaysia, the Directors of subsidiaries during the financial year and up to the date of this report, who are not also the Directors of the Company, are as follows:

Ozie Hong
Chin Fui Lan

DIRECTORS' INTERESTS IN SHARES

The holdings and deemed holdings in the ordinary shares of the Company and its related corporations (other than wholly-owned subsidiaries) of those who were Directors at the end of the financial year, as recorded in the Register of Directors' Shareholding kept under Section 59 of the Companies Act, 2016 in Malaysia are as follows:

	Number of ordinary shares			At 31.1.2024
	At 1.2.2023	Bought	Sold	
The Company				
Indirect interest:				
Datuk Hong Ngit Ming	25,978,182	–	–	25,978,182
The holding company, HTG Holdings Sdn. Bhd.				
Direct interest:				
Datuk Hong Ngit Ming	100,000	–	–	100,000

By virtue of Datuk Hong Ngit Ming's interest in the ordinary shares of the Company, he is deemed to have interests in shares in its related corporations during the financial year to the extent of the Company's interests in accordance with Section 8 of the Companies Act, 2016.

None of the other Directors holding office at the end of the financial year had any interest in the ordinary shares of the Company and its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as disclosed in the financial statements or the fixed salary of a full-time employee of the Company or related corporations) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except as disclosed in Note 29 to financial statements.

There were no arrangements during and at the end of the financial year, which had the object of enabling the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

DIRECTORS' REPORT

DIRECTORS' REMUNERATION

The remuneration paid to or receivable by the Directors of the Group and of the Company during the financial year is amounted to RM1,066,357 and RM587,739 respectively.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

There was no indemnity given to or liability insurance effected for any Director, officer or auditor of the Group or of the Company during the financial year.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 16 to the financial statements.

ISSUES OF SHARES AND DEBENTURES

The Company did not issue any new shares or debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- (i) all known bad debts had been written off and adequate allowance had been made for doubtful debts; and
- (ii) any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- (i) which would render it necessary to write off any bad debts, or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (ii) which would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading; or
- (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (iv) not otherwise dealt with in this report or the financial statements, which would render any amount stated in the financial statements of the Group and of the Company misleading.

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION (CONT'D)

As at the date of this report, there does not exist:

- (i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (ii) any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of the Group and of the Company has become enforceable, or is likely to become enforceable within the period of twelve (12) months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 January 2024 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of the financial year and the date of this report.

HOLDING COMPANY

The Directors regard HTG Holdings Sdn. Bhd., a private limited liability company incorporated and domiciled in Malaysia, as the holding company of the Company.

AUDITORS

The auditors, PKF PLT, have indicated their willingness to continue in office.

During the financial year, the total amount of fees paid to or receivable by the auditors as remuneration for their services as auditors of the Group and of the Company amounted to RM143,000 and RM73,000 respectively.

Signed on behalf of the Board
in accordance with a resolution of the Directors,

DATUK HONG NGIT MING
Director

THAM VUI VUN
Director

Dated 9 May 2024

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT, 2016

In the opinion of the Directors, the accompanying financial statements set out on pages 70 to 123 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 January 2024 and of their financial performance and cash flows for the financial year ended on that date.

Signed on behalf of the Board
in accordance with a resolution of the Directors,

DATUK HONG NGIT MING
Director

THAM VUI VUN
Director

Dated 9 May 2024

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT, 2016

I, **CHONG NYET WUI (NRIC Number: 571119-12-5097)**, being the Officer primarily responsible for the financial management of TECK GUAN PERDANA BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements set out on pages 70 to 123 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960 in Malaysia.

Subscribed and solemnly declared by)
the abovenamed **CHONG NYET WUI**)
NRIC Number: 571119-12-5097)
at Tawau in the state of Sabah)
on 9 May 2024)

CHONG NYET WUI
MIA No: 4936

Before me,

COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TECK GUAN PERDANA BERHAD (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of TECK GUAN PERDANA BERHAD, which comprise the statements of financial position as at 31 January 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 70 to 123.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 January 2024, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Area of focus – Group	How our audit addressed the key audit matter
<p>Impairment testing of property, plant and equipment and right-of-use assets</p> <p>The Group has identified a subsidiary exhibiting indicators of impairment with significant property, plant, and equipment ("PPE") and right-of-use assets ("ROU") of RM11,492,496 and RM39,191,529 respectively. Accordingly, the Group has performed an impairment assessment on the PPE and ROU of this subsidiary.</p> <p>In determining the recoverable amounts of the PPE and ROU, specifically the plantation land of the subsidiary, the Group has assessed the fair value of the PPE and ROU based on recent market transaction prices of similar plantation land.</p> <p>Due to the measurement of fair value being inherently judgemental and the carrying value of these assets being material to the Group, we have considered this to be a key audit matter.</p>	<p>Our audit procedure includes assessing the comparability of the plantation land and consideration of adjusting factors on the plantation land comparables.</p>

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TECK GUAN PERDANA BERHAD (Incorporated in Malaysia)

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (i) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (ii) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TECK GUAN PERDANA BERHAD (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

- (iv) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- (v) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (vi) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report. The financial statements of the Group and of the Company as at 31 January 2023, were audited by another auditor whose report dated 22 May 2023, expressed an unmodified opinion.

PKF PLT
202206000012 (LLP0030836-LCA) & AF0911
CHARTERED ACCOUNTANTS

Kota Kinabalu

Dated 9 May 2024

CHAU MAN KIT
02525/03/2026 J
CHARTERED ACCOUNTANT

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024

	Note	Group		Company	
		2024 RM	Restated 2023 RM	2024 RM	2023 RM
Revenue	5	294,209,352	489,664,977	840,000	840,000
Cost of sales		(263,083,781)	(417,203,583)	(1,162,922)	(1,047,448)
Gross profit/(loss)		31,125,571	72,461,394	(322,922)	(207,448)
Other operating income	6	2,708,891	1,396,426	3,743,826	1,954,752
Impairment loss on receivables	20	(1,647,836)	–	–	–
Selling and distribution expenses		(12,030,716)	(20,297,872)	–	–
Administrative expenses		(7,221,186)	(6,319,452)	(177,814)	(193,263)
Other expenses	7	(226,910)	(3,687,801)	–	–
Profit from operations	10	12,707,814	43,552,695	3,243,090	1,554,041
Finance costs	11	(1,686,218)	(2,674,447)	(517,153)	(1,054,171)
Profit before taxation		11,021,596	40,878,248	2,725,937	499,870
Income tax expense	12	(3,331,554)	(11,123,681)	(7,739)	(255,373)
Profit for the financial year/ Total comprehensive income for the financial year		7,690,042	29,754,567	2,718,198	244,497
Profit/Total comprehensive income attributable to:					
Owners of the Company		7,690,042	29,754,567	2,718,198	244,497
Earnings per share attributable to owners of the Company (sen per share)					
Basic and diluted	13	19.18	74.21		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 JANUARY 2024

	Note	2024 RM	Group Restated 2023 RM	2024 RM	Company Restated 2023 RM
ASSETS					
Non-current assets					
Property, plant and equipment	14	20,011,802	19,591,217	6	6
Right-of-use assets	15	51,293,278	52,549,030	-	-
Investments in subsidiaries	16	-	-	56,987,205	54,089,430
Deferred tax assets	17	95,935	869,000	-	-
		71,401,015	73,009,247	56,987,211	54,089,436
Current assets					
Biological assets	18	325,628	450,727	-	-
Inventories	19	30,459,229	32,647,109	-	-
Trade and other receivables	20	4,236,716	13,165,793	17,652,567	16,720,240
Tax recoverable		375,996	110,077	193,652	80,976
Cash and bank balances	21	56,668,786	55,066,959	313,093	1,583,772
		92,066,355	101,440,665	18,159,312	18,384,988
TOTAL ASSETS		163,467,370	174,449,912	75,146,523	72,474,424
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	22	40,103,902	40,103,902	40,103,902	40,103,902
Retained profits	23	72,716,230	67,031,033	22,902,866	22,189,513
Total equity		112,820,132	107,134,935	63,006,768	62,293,415
Non-current liabilities					
Loans and borrowings	24	5,703,031	7,639,996	-	-
Deferred tax liabilities	17	4,074,170	4,108,524	-	-
Lease liability	25	7,865,444	9,596,737	-	-
		17,642,645	21,345,257	-	-
Current liabilities					
Loans and borrowings	24	5,445,146	8,098,779	-	-
Lease liability	25	1,731,292	1,646,371	-	-
Trade and other payables	26	25,399,403	33,242,859	12,139,755	10,181,009
Derivative liabilities	27	-	5,799	-	-
Taxation		428,752	2,975,912	-	-
		33,004,593	45,969,720	12,139,755	10,181,009
Total liabilities		50,647,238	67,314,977	12,139,755	10,181,009
TOTAL EQUITY AND LIABILITIES		163,467,370	174,449,912	75,146,523	72,474,424

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024

	Note	<- Attributable to owners of the Company ->		Total equity RM
		<- Non-distributable -> Share capital RM	<- Distributable -> Retained profits RM	
Group				
At 1 February 2022		40,103,902	38,479,373	78,583,275
Profit for the financial year/Total comprehensive income for the financial year		-	29,754,567	29,754,567
Transactions with owners of the Company				
- Dividend on ordinary shares	28	-	(1,202,907)	(1,202,907)
At 31 January 2023		40,103,902	67,031,033	107,134,935
Profit for the financial year/Total comprehensive income for the financial year		-	7,690,042	7,690,042
Transactions with owners of the Company				
- Dividend on ordinary shares	28	-	(2,004,845)	(2,004,845)
At 31 January 2024		40,103,902	72,716,230	112,820,132
Company				
At 1 February 2022		40,103,902	23,147,923	63,251,825
Profit for the financial year/Total comprehensive income for the financial year		-	244,497	244,497
Transactions with owners of the Company				
- Dividend on ordinary shares	28	-	(1,202,907)	(1,202,907)
At 31 January 2023		40,103,902	22,189,513	62,293,415
Profit for the financial year/Total comprehensive income for the financial year		-	2,718,198	2,718,198
Transactions with owners of the Company				
- Dividend on ordinary shares	28	-	(2,004,845)	(2,004,845)
At 31 January 2024		40,103,902	22,902,866	63,006,768

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024

Note	Group		Company	
	2024 RM	Restated 2023 RM	2024 RM	2023 RM
Cash flows from operating activities				
Profit before taxation	11,021,596	40,878,248	2,725,937	499,870
Adjustments for:				
Allowances for impairment on receivables	1,647,836	–	–	–
Depreciation of property, plant and equipment	2,130,533	1,932,864	–	–
Depreciation of right of use assets	2,571,334	2,415,196	–	–
Fair value loss on biological assets	125,099	7,026	–	–
Gain on disposal of property, plant and equipment	(21,000)	(2,500)	–	–
Interest expenses	1,686,218	2,674,447	517,153	1,054,171
Interest income	(883,711)	(864,200)	(846,051)	(1,954,752)
Inventories written off	100,580	–	–	–
Net fair value (gain)/loss on realised derivatives	(5,799)	16,036	–	–
Property, plant and equipment written off	1,231	1,116	–	–
Reversal of impairment loss on investments in subsidiaries	–	–	(2,897,775)	–
Unrealised (gain)/loss on foreign exchange	(258,993)	68,309	–	–
Operating profit/(loss) before working capital changes	18,114,924	47,126,542	(500,736)	(400,711)
Change in inventories	2,087,300	14,784,447	–	–
Change in receivables	7,477,618	66,924,978	–	844
Change in payables	(8,163,602)	(31,245,502)	13,197	106,978
Cash from/(used in) operation	19,516,240	97,590,465	(487,539)	(292,889)
Income tax paid	(5,513,151)	(8,116,081)	(120,415)	(417,475)
Income tax refunded	107,229	411,216	–	–
Interest paid	(1,686,218)	(2,674,447)	(517,153)	(1,054,171)
Interest received	883,711	864,200	846,051	1,954,752
Net cash from/(used in) operating activities	13,307,811	88,075,353	(279,056)	190,217
(forward)				

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024

(Continued)

	Note	Group		Company	
		2024 RM	Restated 2023 RM	2024 RM	2023 RM
Cash flows from investing activities					
Acquisition of property, plant and equipment		(2,552,351)	(6,561,923)	–	–
Acquisition of right-to-use assets		(1,315,582)	(20,448,941)	–	–
Advances to subsidiaries		–	–	(932,327)	(2,899,851)
(Advances to)/Repayment from related companies		(30,777)	2,734	–	–
Proceeds from disposal of property, plant and equipment		21,002	7,000	–	–
Net cash used in investing activities		(3,877,708)	(27,001,130)	(932,327)	(2,899,851)
		9,430,103	61,074,223	(1,211,383)	(2,709,634)
Cash flows from financing activities					
Advances from holding company		248,003	9,998,146	248,003	9,998,146
Advances from/(Repayment to) related companies		72,143	474,141	25	(4,699)
Advances from/(Repayment to) subsidiaries		–	–	1,697,521	(4,626,990)
Dividend paid		(2,004,845)	(1,202,907)	(2,004,845)	(1,202,907)
Net payment of bankers' acceptance		(1,658,000)	(54,038,000)	–	–
Repayment of lease liability		(1,646,372)	(1,565,616)	–	–
Repayment of term loan		(1,910,004)	–	–	–
Net cash (used in)/from financing activities		(6,899,075)	(46,334,236)	(59,296)	4,163,550
Net increase/(decrease) in cash and cash equivalents		2,531,028	14,739,987	(1,270,679)	1,453,916
Effect of foreign exchange translation		93,393	(2,242)	–	–
Cash and cash equivalents at beginning of financial year		54,018,184	39,280,439	1,583,772	129,856
Cash and cash equivalents at end of the financial year	21	56,642,605	54,018,184	313,093	1,583,772

(forward)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024
(Continued)

Reconciliation of liabilities arising from financing activities

	1 February RM	Cash flows RM	31 January RM
Group			
2024			
Amount due to holding company	9,998,146	248,003	10,246,149
Amounts due to related parties	937,664	72,143	1,009,807
Banker acceptances	5,140,000	(1,658,000)	3,482,000
Lease liability	11,243,108	(1,646,372)	9,596,736
Term loan	9,550,000	(1,910,004)	7,639,996
	36,868,918	(4,894,230)	31,974,688
2023			
Amount due to holding company	–	9,998,146	9,998,146
Amounts due to related parties	463,523	474,141	937,664
Banker acceptances	59,178,000	(54,038,000)	5,140,000
Lease liability	12,808,724	(1,565,616)	11,243,108
Term loan	9,550,000	–	9,550,000
	82,000,247	(45,131,329)	36,868,918
Company			
2024			
Amounts due to fellow subsidiaries	–	1,697,521	1,697,521
Amount due to holding company	9,998,146	248,003	10,246,149
Amounts due to related parties	3,235	25	3,260
	10,001,381	1,945,549	11,946,930
2023			
Amounts due to fellow subsidiaries	4,626,990	(4,626,990)	–
Amount due to holding company	–	9,998,146	9,998,146
Amounts due to related parties	7,934	(4,699)	3,235
	4,634,924	5,366,457	10,001,381

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024

1. GENERAL INFORMATION

The Company is a public limited liability company that is incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The principal activities of the Company are investment holding and provision of administrative services to its subsidiaries. The principal activities of the subsidiaries are set out in Note 16 to the financial statements.

The registered office and principal place of business of the Company are located at No. 318, Teck Guan Regency, Jalan St. Patrick, Off Jalan Belunu, 91000, Tawau, Sabah, Malaysia.

The Directors regard HTG Holdings Sdn. Bhd., a private limited liability company incorporated and domiciled in Malaysia, as the holding company of the Company.

These financial statements were authorised for issue by the Directors in accordance with a resolution of the Board of Directors dated 9 May 2024.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs") issued by Malaysian Accounting Standards Board ("MASB"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act, 2016 in Malaysia.

(b) Basis of measurement

The material accounting policies adopted by the Group and the Company are consistent with those adopted in previous financial year unless otherwise stated.

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the material accounting policies.

(c) Functional and presentation currency

The financial statements are prepared in Ringgit Malaysia (RM) which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(d) Adoption of new and revised MFRS

During the financial year, the Group and the Company have adopted the following amendments to standards issued by the MASB that are mandatory for current financial year:

- Amendments to MFRS 101: Disclosure of Accounting Policies
- Amendments to MFRS 108: Definition of Accounting Estimates
- Amendments to MFRS 112: Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction

The adoption of the amendments to standards did not have any significant impact on the financial statements of the Group and of the Company, other than changes in the accounting policy information disclosed in the financial statements in line with the amendments to MFRS 101: Disclosure of Accounting Policies which require the disclosure of 'material', rather than 'significant', accounting policies.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 January 2024

2. BASIS OF PREPARATION (CONT'D)

(e) Standards issued but not yet effective

Certain new accounting standards and interpretations have been issued but not yet effective for 31 January 2024 reporting periods and have not been early adopted by the Group and the Company. These standards are not expected to have a material impact on the financial statements of the Group and of the Company in the current or future reporting periods.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's and the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

(a) Judgements made in applying accounting policies

In the process of applying the Group's and the Company's accounting policies, management has made the following judgement, apart from those involving estimations, which could have a significant effect on the amounts recognised in the consolidated financial statements.

Operating segments

The segments disclosed in Note 35 to the financial statements have been determined by distinguishing the business activities from which the Group earns revenues and incurs expenses. The economic characteristics of the operating segments have been reviewed and operating segments have been grouped based on the reporting to the chief operating decision maker.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Depreciation of property, plant and equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.

The Group and the Company anticipate that the residual values of their property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. The management estimates the useful lives of the property, plant and equipment to be within five (5) to fifty (50) years. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(ii) Income taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognise tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 January 2024

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

(b) Key sources of estimation uncertainty (Cont'd)

(iii) Impairment of property, plant and equipment and right-of-use assets

The Group reviews the carrying amount of property, plant and equipment and right-of-use assets at each reporting date to assess whether there is any indication of impairment. If any such indication exists, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal ("FVLCD") and its value in use ("VIU").

The Group estimates the recoverable amount of the cash-generating unit ("CGU") based on FVLCD. In estimating the recoverable amounts of FVLCD, the Directors relied on recent market transaction prices of similar plantation land.

(iv) Biological assets

The biological assets of the Group comprise of fresh fruit bunches prior to harvest. To arrive at the fair value of FFB prior to harvest, the management considers the oil content of the unripe FFB. It is assumed that the net cash flow to be generated from FFB in excess of four (4) weeks prior to harvest to be negligible and are accordingly excluded from valuation. The fair value of FFB prior to harvest is computed based on market approach and takes into consideration the market price of harvested FFB, adjusted to the estimated oil content of unharvested FFB less harvesting, transport and other costs to sell.

(v) Deferred tax assets and liabilities

Deferred tax implications arising from the changes in corporate income tax rates are measured with reference to the estimated realisation and settlement of temporary differences in the future periods in which the tax rates are expected to apply, based on the tax rates enacted or substantively enacted at the reporting date. While management's estimates on the realisation and settlement of temporary differences are based on the available information at the reporting date, changes in business strategy, future operating performance and other factors could potentially impact on the actual timing and amount of temporary differences realised and settled. Any difference between the actual amount and the estimated amount would be recognised in the statement of profit or loss and other comprehensive income in the period in which actual realisation and settlement occurs.

Deferred tax assets are recognised for all deductible temporary differences, unutilised tax credits and unutilised tax losses to the extent that it is probable that taxable profit will be available against which these items can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying amount of recognised and unrecognised deferred tax assets are disclosed in Note 17 to the financial statements.

Assumptions about generation of future taxable profits would depend on the achievability of projected profits and this requires judgement of the management. These assumptions and judgement are subject to risks and uncertainty, hence there is possibility that changes in circumstances will alter expectations, which may impact on the amount of deferred tax assets recognised.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 January 2024

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

(b) Key sources of estimation uncertainty (Cont'd)

(vi) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(vii) Leases

The measurement of the right-of-use asset and lease liability for leases where the Group is lessee requires the use of judgements and assumptions, such as lease term and incremental borrowing rate. In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if the lease is reasonably certain to be extended. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation, particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

4. MATERIAL ACCOUNTING POLICIES

The Group adopted Amendments to MFRS101 Presentation of Financial Statements – Disclosure of Accounting Policies for the first time from 1 February 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Material accounting policies (2023: Significant accounting policies) in certain instances in line with the amendments.

Certain immaterial accounting policies have been voluntarily disclosed to ensure completeness in the financial statements of the Group.

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 January 2024

4. MATERIAL ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (Cont'd)

(i) Subsidiaries

Subsidiaries are entities controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investments includes transaction costs.

(ii) Business combinations

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

(b) Foreign currencies

Functional and presentation currencies

The Group's consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency. Each entity in the Group determines its own company's functional currency and items included in the financial statements of each entity are measured using that functional currency.

(c) Revenue recognition

Revenue from contracts with customers is measured at its transaction price, being the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of discounts. The transaction price is allocated to each distinct good or service promised in the contract. Depending on the terms of the contract, revenue is recognised when the performance obligation is satisfied, which may be a point in time or over time.

(i) Sale of goods

Revenue from sale of goods is recognised net of discount and taxes at the point in time when control of the goods has transferred to the customers. The transaction price is allocated to each performance obligation based on the standalone selling price of the goods. There is no element of financing present as the sale of goods are either on cash terms (immediate payment or advance payment not exceeding 30 days) or on credit terms of up to 60 days.

(ii) Freight income

The Group recognises revenue from freight services over time as the customer simultaneously receives and consumes the benefits provided by the Group. The output method is used to measure the stage of completion of the services.

(iii) Administrative fee

Administrative fee is recognised net of service taxes as and when the services are rendered.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 January 2024

4. MATERIAL ACCOUNTING POLICIES (CONT'D)

(c) Revenue recognition (Cont'd)

(iv) Other income

Revenue from other sources are recognised as follows:

- (a) interest income is recognised on a time proportion basis that reflects the effective yield on the assets; and
- (b) rental income is accounted for on a straight-line basis over the lease terms.

(d) Employee benefits

(i) Short term benefits

Wages and salaries are usually accrued and paid on a monthly basis and are recognised as an expense, unless they relate to cost of producing inventories or other assets.

Paid absences (annual leave, maternity leave, paternity leave, sick leave, etc.) are accrued in each period if they are accumulating paid absences that can be carried forward, or in the case of non-accumulating paid absences, recognised as and when the absences occur.

Profit sharing and bonus payments are recognised when, and only when, the Group and the Company have a present legal or constructive obligation to make such payment as a result of past events and a reliable estimate of the obligation can be made.

(ii) Post-employment benefits (defined contribution plans)

The Group and the Company make statutory contributions to the approved provident funds and the contributions made are charged to profit or loss in the period to which they relate. When the contributions have been paid, the Group and the Company have no further payment obligations.

(e) Tax assets and liabilities

A current tax liability/(asset) is measured at the amount the entity expects to pay/(recover) using tax rates and laws that have been enacted or substantially enacted by the reporting date.

Deferred taxes are measured using tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred taxes reflects the tax consequences that would follow from the manner in which the Group and the Company expect, at the end of the reporting period, to recover or settle the carrying amount of its assets or liabilities.

(f) Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS"). Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 January 2024

4. MATERIAL ACCOUNTING POLICIES (CONT'D)

(g) Property, plant and equipment

All items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Bearer plants of oil palms consists of accumulated plantation development costs incurred from land clearing to the point of maturity of the crop cultivated. Capitalisation of plantation development and other operating costs ceases upon commencement of commercial harvesting, which is approximately 3 years. When a bearer crop has reached the end of its useful life and is replanted, the carrying amount of the old bearer plants are derecognised, and the costs of the new bearer plants are treated as a replacement of the old bearer plants and capitalised.

Capital work-in-progress is not depreciated as these assets are not available for use. Depreciation will commence on these assets when they are ready for their intended use.

Property, plant and equipment are depreciated on a straight-line basis to write off the cost of the property, plant and equipment over the term of their estimated useful lives. The principal annual rates of depreciation used are as follows:

Buildings	10 - 50 years
Bearer plants	25 years
Equipment, furniture and fixtures	10 years
Plant and machinery	5 - 20 years
Tractors and motor vehicles	5 years

(h) Biological assets

Biological assets comprise the oil palm produce growing on bearer plants. Biological assets are measured at fair value less costs to sell. Any gains or losses arising from changes in the fair value less costs to sell are recognised in profit or loss.

Biological assets are classified as current assets as they are expected to be harvested and sold or used for production on a date not more than four (4) weeks after the reporting date.

(i) Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories is calculated using the weighted average cost method.

(j) Financial instruments

(i) Financial assets

Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price determined under MFRS 15.

The Group and the Company only have financial assets measured at amortised cost (debt instruments).

Financial assets at amortised cost (debt instrument)

The Group's and the Company's financial assets at amortised cost include trade and other receivables and cash and bank balances.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 January 2024

4. MATERIAL ACCOUNTING POLICIES (CONT'D)

(j) Financial instruments (Cont'd)

(ii) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

The Group and the Company only have financial liabilities measured at amortised cost.

Financial liabilities measured at amortised cost

The Group's and the Company's financial liabilities measured at amortised cost include trade and other payables, loans and borrowings and lease liabilities.

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, at banks, deposits with licensed banks with maturity not exceeding three (3) months and short-term, highly liquid investments which are readily convertible to cash with short periods to maturity and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts, if any.

(l) Impairment

(i) Impairment of financial assets

The Group and the Company recognise an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables and contract assets, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments considered to have low credit risk, the Group and the Company apply the low credit risk simplification. At every reporting date, the Group and the Company evaluate whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group and the Company reassess the internal credit rating of the debt instrument.

In addition, the Group and the Company consider that there has been a significant increase in credit risk when contractual payments are more than one (1) year past due. It is the Group's and the Company's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

The Group and the Company consider a financial asset in default when contractual payments are one (1) year past due. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 January 2024

4. MATERIAL ACCOUNTING POLICIES (CONT'D)

(l) Impairment (Cont'd)

(ii) Impairment of non-financial assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group and the Company make an estimate of the asset's recoverable amount.

(m) Equity instruments

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised as an appropriation of retained profits upon declaration, and are only taken up as liabilities upon the necessary approval being obtained.

(n) Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset.

All other borrowings costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

(o) Leases

(i) Lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

(ii) Lease term

In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

(iii) Recognition and exemption

As a lessee

The Group has elected to use the recognition exemption that permits entities not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of twelve (12) months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessor

When the Group is intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group and applies the exemption described above, then it classifies the sublease as an operating lease.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 January 2024

4. MATERIAL ACCOUNTING POLICIES (CONT'D)

(o) Leases (Cont'd)

(iv) Subsequent measurement

As a lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term, as follows:

Leasehold land	44 – 926 years
Buildings	10 years

As a lessor

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of “other operating income”.

(p) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group’s other components. All operating segments’ operating results are reviewed regularly by the Chief Financial Officer (“CFO”), to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

(q) Fair value measurement

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- (i) Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- (ii) Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- (iii) Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 January 2024

5. REVENUE

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Revenue from contracts with customers				
Administrative fees from subsidiaries	–	–	840,000	840,000
Freight income	10,205,282	16,022,106	–	–
Sale of:				
- cocoa products	22,459,520	17,219,040	–	–
- crude palm kernel oil	195,879,795	349,724,207	–	–
- dried cocoa beans	7,513	24	–	–
- palm kernel expeller	33,266,350	35,806,758	–	–
- palm oil related products	21,052,520	57,196,725	–	–
- plantation produce	11,338,372	13,696,117	–	–
	294,209,352	489,664,977	840,000	840,000
Timing of revenue recognition				
Point in time	284,004,070	473,642,871	–	–
Over time	10,205,282	16,022,106	840,000	840,000
	294,209,352	489,664,977	840,000	840,000

There are no unfulfilled performance obligations, whether satisfied or partially satisfied to be recognised over the subsequent periods.

6. OTHER OPERATING INCOME

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Interest income				
- Amounts due from subsidiaries	–	–	832,265	1,938,646
- Banks	883,711	864,200	13,786	16,106
Gain on disposal of property, plant and equipment	21,000	2,500	–	–
Miscellaneous income	116,794	200,025	–	–
Net fair value gain on realised derivatives	5,799	–	–	–
Realised gain on foreign exchange	1,231,428	–	–	–
Rental income	191,166	260,407	–	–
Reversal of impairment loss on investments in subsidiaries (Note 16)	–	–	2,897,775	–
Unrealised gain on foreign exchange	258,993	69,294	–	–
	2,708,891	1,396,426	3,743,826	1,954,752

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 January 2024

7. OTHER EXPENSES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Fair value loss on biological assets (Note 18)	125,099	7,026	-	-
Inventories written off	100,580	-	-	-
Loss on foreign exchange				
- realised	-	3,526,020	-	-
- unrealised	-	137,603	-	-
Net fair value loss on realised derivatives	-	16,036	-	-
Property, plant and equipment written off	1,231	1,116	-	-
	226,910	3,687,801	-	-

8. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Salaries, wages, bonuses, allowances and incentives	7,898,102	6,578,290	1,029,673	921,874
Contributions to defined contribution plan	560,587	478,608	98,310	87,040
Employees Insurance System contributions	5,924	5,057	475	507
Social Security contributions	79,225	68,723	6,388	6,403
	8,543,838	7,130,678	1,134,846	1,015,824

Included in employee benefits expense of the Group and of the Company are Executive Directors' remuneration amounting to RM1,012,357 (2023: RM722,151) and RM533,739 (2023: RM368,481) respectively as further disclosed in Note 9 to the financial statements.

9. DIRECTORS' REMUNERATION

The details of remuneration received and receivable by Directors of the Group and of the Company during the financial year are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Executive Directors' remuneration (Note 8)				
- Salaries and other emoluments	800,931	638,775	421,673	323,109
- Bonus	102,794	-	54,572	-
- Allowance	500	6,000	500	6,000
- Contributions to defined contribution plan	108,132	77,376	56,994	39,372
	1,012,357	722,151	533,739	368,481
Non-executive Directors' remuneration				
- Fee	54,000	54,000	54,000	54,000
	1,066,357	776,151	587,739	422,481

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 January 2024

10. PROFIT FROM OPERATIONS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Other than as disclosed in Notes 6 to 9, profit from operations is arrived at after charging:				
Auditors' remuneration				
- Statutory audit				
- Current year	143,000	116,000	73,000	60,000
- Under provision in prior year	18,500	7,500	4,800	3,500
Depreciation of property, plant and equipment (Note 14)	2,130,533	1,932,864	-	-
Depreciation of right-of-use assets (Note 15)	2,571,334	2,415,196	-	-
Hiring of equipment*	109,133	95,679	8,105	8,517
Rental expenses*	118,992	120,650	19,200	21,700

* Expenses relating to short-term lease accounted for applying the recognition exception of MFRS 16 Leases. There are no material expense relating to low value assets.

11. FINANCE COSTS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Interest expenses:				
- Amount due to holding company	509,632	914,930	509,632	914,930
- Amount due to a subsidiary	-	-	7,521	139,241
- Bankers' acceptances	217,947	723,193	-	-
- Lease liabilities	519,869	600,624	-	-
- Onshore foreign currency loan	56,785	84,757	-	-
- Term loan	381,985	350,943	-	-
	1,686,218	2,674,447	517,153	1,054,171

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 January 2024

12. INCOME TAX EXPENSES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Current taxation	2,664,331	10,435,313	7,739	259,024
Deferred taxation (Note 17)	738,711	433,831	-	-
	3,403,042	10,869,144	7,739	259,024
(Over)/Under provision in prior year				
- Current taxation	(71,488)	933	-	(3,651)
- Deferred tax (Note 17)	-	253,604	-	-
	(71,488)	254,537	-	(3,651)
	3,331,554	11,123,681	7,739	255,373

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit before taxation	11,021,596	40,878,248	2,725,937	499,870
Taxation at Malaysian statutory tax rate of 24%	2,645,183	9,810,780	654,225	119,969
Non-deductible expenses	790,496	987,193	48,980	139,055
Non-taxable income	-	-	(695,466)	-
(Utilisation of previously unrecognised temporary differences)/Effect of unrecognised temporary differences	(32,637)	71,171	-	-
	3,403,042	10,869,144	7,739	259,024
(Over)/Under provision in prior year				
- Current taxation	(71,488)	933	-	(3,651)
- Deferred tax	-	253,604	-	-
	(71,488)	254,537	-	(3,651)
	3,331,554	11,123,681	7,739	255,373

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 January 2024

13. EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing profit for the financial year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	2024 RM	Group 2023 RM
Profit net of tax attributable to owners of the Company (RM)	7,690,042	29,754,566
Weighted average number of ordinary shares in issue	40,096,902	40,096,902
Basic earnings per share (sen)	19.18	74.21

(b) Diluted

There is no dilution in the earnings per share of the current and previous year end as there are no dilutive potential ordinary shares outstanding at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 January 2024

14. PROPERTY, PLANT, AND EQUIPMENT

Group	Buildings RM	Bearer plants RM	Equipment, furniture and fixtures RM	Plant and machinery RM	Tractors and Motor vehicle RM	Work-in- progress RM	Total RM
Cost							
At 1 February 2022	14,186,607	8,513,391	2,280,566	46,929,406	2,747,592	197,240	74,854,802
Additions	679,341	5,480,761	26,879	145,204	229,738	-	6,561,923
Disposal	-	-	-	-	(10,000)	-	(10,000)
Written off	-	-	(9,124)	(3,100)	-	-	(12,224)
At 31 January 2023, as restated	14,865,948	13,994,152	2,298,321	47,071,510	2,967,330	197,240	81,394,501
Additions	568,331	804,631	120,424	611,750	447,215	-	2,552,351
Disposal	-	-	-	-	(279,600)	-	(279,600)
Written off	-	(509,946)	(10,338)	-	-	-	(520,284)
At 31 January 2024	15,434,279	14,288,837	2,408,407	47,683,260	3,134,945	197,240	83,146,968
Accumulated depreciation							
At 1 February 2022	8,711,602	4,908,288	1,632,291	42,082,203	2,552,644	-	59,887,028
Charge for the financial year (Note 10)	487,076	615,157	90,364	620,982	119,285	-	1,932,864
Disposal	-	-	-	-	(5,500)	-	(5,500)
Written off	-	-	(8,012)	(3,096)	-	-	(11,108)
At 31 January 2023, as restated	9,198,678	5,523,445	1,714,643	42,700,089	2,666,429	-	61,803,284
Charge for the financial year (Note 10)	490,466	739,191	96,613	651,750	152,513	-	2,130,533
Disposal	-	-	-	-	(279,598)	-	(279,598)
Written off	-	(509,946)	(9,107)	-	-	-	(519,053)
At 31 January 2024	9,689,144	5,752,690	1,802,149	43,351,839	2,539,344	-	63,135,166
Net book value							
At 31 January 2023, as restated	5,667,270	8,470,707	583,678	4,371,421	300,901	197,240	19,591,217
At 31 January 2024	5,745,135	8,536,147	606,258	4,331,421	595,601	197,240	20,011,802

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 January 2024

14. PROPERTY, PLANT, AND EQUIPMENT (CONT'D)

Company

	Office equipment, furniture and fixtures RM
Cost	
At 1 February 2022/31 January 2023/31 January 2024	16,258
Accumulated depreciation	
At 1 February 2022/31 January 2023/31 January 2024	16,252
Net book value	
At 31 January 2023	6
At 31 January 2024	6

15. RIGHT-OF-USE ASSETS

	Leasehold land RM	Building RM	Total RM
Cost			
At 1 February 2022	33,663,475	17,059,687	50,723,162
Additions	20,448,941	–	20,448,941
At 31 January 2023	54,112,416	17,059,687	71,172,103
Additions	1,315,582	–	1,315,582
At 31 January 2024	55,427,998	17,059,687	72,487,685
Accumulated depreciation			
At 1 February 2022	11,089,971	5,117,906	16,207,877
Charge for the financial year (Note 10)	709,228	1,705,968	2,415,196
At 31 January 2023	11,799,199	6,823,874	18,623,073
Charge for the financial year (Note 10)	865,365	1,705,969	2,571,334
At 31 January 2024	12,664,564	8,529,843	21,194,407
Net book value			
At 31 January 2023	42,313,217	10,235,813	52,549,030
At 31 January 2024	42,763,434	8,529,844	51,293,278

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 January 2024

15. RIGHT-OF-USE ASSETS (CONT'D)

The Group leases leasehold land and building of which the leasing activities are summarised below:

- (i) Leasehold land: The Group entered into non-cancellable lease agreements for 15 (2023: 15) parcels of leasehold land. The leases have lease terms of between 99 to 999 years with no renewal or purchase option.
- (ii) Building: Building comprises warehouse, kernel crushing plant, silo and tank for a period of ten (10) years with an option to renew.

The leasehold land with carrying amount of RM11,673,221 (2023: RM11,887,983) has been pledged to a licensed bank as security for banking facility granted to the Group as disclosed in Note 24 to the financial statements.

16. INVESTMENTS IN SUBSIDIARIES

	Company	
	2024 RM	2023 RM
Unquoted shares, at cost	37,563,852	37,563,852
Capital contribution	41,594,233	41,594,233
	79,158,085	79,158,085
Less: Accumulated impairment losses	(22,170,880)	(25,068,655)
Net carrying amount	56,987,205	54,089,430

Movement in accumulated impairment losses account:

At 1 February	25,068,655	25,068,655
Reversal during the financial year (Note 6)	(2,897,775)	-
At 31 January	22,170,880	25,068,655

Capital contribution represents amount capitalised on debt due from a subsidiary waived by the company.

The Company recorded a reversal of impairment on investment in Majulah Koko Tawau Sdn. Bhd. of RM2,897,775 (2023: RMNIL) based on its recoverable amount, determined based on the subsidiary's net assets.

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Proportion of ownership interest		Principal activities
		2024 %	2023 %	
Held by the Company				
Cacao Paramount Sdn. Bhd.	Malaysia	100	100	Operation of palm kernel crushing plant, trading of palm oil related products and operation of oil palm plantations
Majulah Koko Tawau Sdn. Bhd.	Malaysia	100	100	Processing and sale of cocoa powder and other cocoa products and the export of trading produce
Tawau Cocoa Estate Sdn. Bhd.	Malaysia	100	100	Operation of oil palm and cocoa plantations

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 January 2024

17. DEFERRED TAX ASSETS/(LIABILITIES)

	Group	
	2024 RM	2023 RM
At 1 February	(3,239,524)	(2,552,089)
Recognised in profit or loss (Note 12)	(738,711)	(687,435)
At 31 January	(3,978,235)	(3,239,524)

The components of deferred tax assets and liabilities as at the end of the financial year prior to offsetting are as follows:

	Group	
	2024 RM	2023 RM
Deferred tax assets		
Unutilised tax losses	285,935	1,059,000
Deferred tax liabilities		
Property, plant and equipment	(4,183,575)	(4,187,907)
Biological assets	(80,595)	(110,617)
	(4,264,170)	(4,298,524)
Deferred tax liabilities recognised	(3,978,235)	(3,239,524)

Presented after appropriate offsetting as follows:

	Group	
	2024 RM	2023 RM
Deferred tax assets	95,935	869,000
Deferred tax liabilities	(4,074,170)	(4,108,524)
	(3,978,235)	(3,239,524)

No deferred tax asset has been recognised for the following item:

	Group	
	2024 RM	2023 RM
Unutilised tax losses	23,748,998	24,540,665
Tax rate	24%	24%
Deferred tax assets not recognised	5,699,760	5,889,760

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 January 2024

17. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

Year of expiry of unutilised tax losses is analysed as follows:

	2024 RM	Group 2023 RM
Expiry by 2028	23,404,251	24,447,438
Expiry by 2029	93,227	93,227
Expiry by 2033	251,520	–
	23,748,998	24,540,665
Tax rate	24%	24%
Deferred tax assets not recognised	5,699,760	5,889,760

The unutilised tax losses is available to be carried forward up to the maximum of ten (10) years, subject to no substantial change in shareholdings of these subsidiaries under the Income Tax Act, 1967 and guidelines issued by the tax authority.

18. BIOLOGICAL ASSETS

	2024 RM	Group 2023 RM
At fair value		
At 1 February	450,727	457,753
Movement during the financial year (Note 7)		
Harvest	(450,727)	(457,753)
Fair value gain	325,628	450,727
	(125,099)	(7,026)
At 31 January	325,628	450,727
	2024 MT	2023 MT
Physical quantities:		
At 31 January	521	715
Production/Sold during the financial year	16,566	14,908

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 January 2024

18. BIOLOGICAL ASSETS (CONT'D)

The biological assets of the Group comprise of oil palm fresh fruit bunches (“FFB”) prior to harvest. The valuation model to be adopted by the Group considers the present value of the net cash flows expected to be generated from the sale of FFB.

To arrive at the fair value of FFB prior to harvest, the management considered the oil content of the unripe FFB and derived the assumptions that the net cash flows to be generated from FFB in excess of four (4) weeks prior to harvest to be negligible, therefore quantity of unripe FFB on bearer plants of up to four (4) weeks prior to harvest was used for valuation purpose. The net present value of cash flows is then determined with reference to the market value of crude palm oil at the date of harvest, adjusted for costs to sell at the point of harvest. Costs to sell, which include harvesting and transport cost, are deducted in arriving at the net cash flows to be generated.

The relationship of the unobservable inputs to changes in fair value, with all other variables held constant is as follows:

	Fair value gain/(loss)			
	2024		2023	
	Increase by 10% RM	Decrease by 10% RM	Increase by 10% RM	Decrease by 10% RM
Unobservable inputs				
FFB price	36,626	(36,626)	50,112	(50,112)
Production volume	32,563	(32,563)	45,073	(45,073)
Harvest and transportation costs	(4,063)	4,063	(5,039)	5,039

19. INVENTORIES

	Group	
	2024 RM	2023 RM
Cost		
Finished goods	16,325,291	24,447,783
Raw materials	4,860,585	3,221,280
Trading goods	7,835,315	3,572,146
Stores and supplies	1,438,038	1,405,900
	30,459,229	32,647,109

During the financial year, the amount of inventories recognised as an expense in cost of sales of the Group was RM240,451,821 (2023: RM359,034,743).

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 January 2024

20. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Trade receivables				
Related parties	1,388,862	1,128,022	-	-
Third parties	3,467,061	10,521,204	-	-
	4,855,923	11,649,226	-	-
Less: Allowance for impairment	(1,647,836)	-	-	-
Trade receivable, net	3,208,087	11,649,226	-	-
Other receivables				
Other receivables				
- Related parties	110,946	80,169	-	-
- Third parties	106,737	655,440	-	-
Amounts due from subsidiaries	-	-	17,633,184	16,700,857
Deposits	699,739	699,410	1,050	1,050
Prepayments	111,207	81,548	18,333	18,333
	1,028,629	1,516,567	17,652,567	16,720,240
Total trade and other receivables	4,236,716	13,165,793	17,652,567	16,720,240

Trade receivables are non-interest bearing and are generally on 30 to 60 days (2023: 30 to 60 days) terms. Other credit terms are assessed and approved on a case-by-case basis. They are recognised at their original invoice amounts which represented their fair values on initial recognition.

Amounts due from subsidiaries are unsecured, bear interest at the rate ranging from 4.79% to 5.04% (2023: 3.79% to 4.79%) per annum and are repayable on demand.

Amounts due from related parties are unsecured, interest free and repayable on demand.

During the financial year, the following losses were recognised in profit or loss in relation to impaired financial assets:

Group

	Trade receivables RM
At 1 February 2022/31 January 2023	-
Charge for the financial year	1,647,836
At 31 January 2024	1,647,836

Information about the Group's exposure to credit risks and impairment losses for trade receivables is included in Note 32 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 January 2024

21. CASH AND CASH EQUIVALENTS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash in hand	5,600	5,600	–	–
Cash at banks	9,862,785	4,823,817	13,093	33,772
Deposits with licensed banks	46,800,401	50,237,542	300,000	1,550,000
Cash and bank balances	56,668,786	55,066,959	313,093	1,583,772
Less: Bank overdraft (Note 24)	(26,181)	(1,048,775)	–	–
Cash and cash equivalents	56,642,605	54,018,184	313,093	1,583,772

The deposits earn interests at the respective banks' deposit rates. They are made for varying periods of between one (1) day to seven (7) days (2023: one (1) day to four (4) days) depending on the immediate cash requirements of the Group. The weighted average effective interest rate as at year end of the Group was 3.52% (2023: 3.44%) per annum.

22. SHARE CAPITAL

	No. of ordinary shares		Group/Company	
	2024	2023	2024 RM	2023 RM
Issued and fully paid:				
At 1 February/31 January	40,096,902	40,096,902	40,103,902	40,103,902

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per share without restrictions at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

23. RETAINED PROFITS

The Group's and the Company's policy is to treat all gains and losses that pass through the statements of profit or loss and other comprehensive income (i.e. non-owner transactions or events) as revenue reserves. Other than retained profits, all other revenue reserves are regarded as non-distributable in the form of cash dividends to shareholders. Accumulated losses are the opposite of retained profits and when an entity is in an accumulated loss position, it is prohibited from distributing cash dividends to shareholders.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 January 2024

24. LOANS AND BORROWINGS

	Group	
	2024 RM	2023 RM
Non-current		
Secured:		
Term loan	5,703,031	7,639,996
Current		
Secured:		
Bankers' acceptances	3,482,000	5,140,000
Bank overdraft (Note 21)	26,181	1,048,775
Term loan	1,936,965	1,910,004
	5,445,146	8,098,779
Total loans and borrowings		
Secured:		
Bankers' acceptances	3,482,000	5,140,000
Bank overdraft (Note 21)	26,181	1,048,775
Term loan	7,639,996	9,550,000
	11,148,177	15,738,775
Maturity structure of loans and borrowings		
Within one year	5,445,146	8,098,779
Between one to five years	1,909,667	1,935,609
More than five years	3,793,364	5,704,387
	11,148,177	15,738,775

The interest rate structures are as follows:

	Effective interest rate per annum	
	2024	2023
Bankers' acceptances	3.69%	2.43%
Bank overdraft	7.29%	7.04%
Term loan	4.69%	4.29%

The loans and borrowings are secured by the followings:

- (i) Corporate guarantee given by the Company; and
- (ii) Legal charge over leasehold land as disclosed in Note 15 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 January 2024

25. LEASE LIABILITY

	Group	
	2024 RM	2023 RM
Current	1,731,292	1,646,371
Non-current	7,865,444	9,596,737
	9,596,736	11,243,108

Maturity structure of lease liability:

Within one year	1,731,292	1,646,371
Between two to five years	7,865,444	7,479,640
More than five years	–	2,117,097
	9,596,736	11,243,108

The Group has lease contract of building used in its operations as disclosed in Note 15 to the financial statements. Lease of building has lease term of 10 years. The discount rate implicit in the lease is 5.04% (2023: 5.04%) per annum.

The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognised in the statement of financial position:

Right-of-use asset	No. of right-of-use assets leased	Range of remaining term	Average remaining lease term	No. of leases with extension options	No. of leases with variable payment	No. of leases with termination option
Building	1	5 years	5 years	1	–	–

There were no leases with residual value guarantee or leases which have yet to commence of which the Group and the Company have committed.

26. TRADE AND OTHER PAYABLES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Trade payables				
Related parties	7,103,238	17,177,281	–	–
Third parties	4,668,541	2,895,109	–	–
	11,771,779	20,072,390	–	–

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 January 2024

26. TRADE AND OTHER PAYABLES (CONT'D)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Other payables				
Other payables				
- Related parties	1,009,807	937,664	3,260	3,235
- Third parties	878,699	647,472	-	-
Amount due to a subsidiary	-	-	1,697,521	-
Amount due to holding company	10,246,149	9,998,146	10,246,149	9,998,146
Accruals	1,492,369	1,585,987	192,825	179,628
Deposits received	600	1,200	-	-
	13,627,624	13,170,469	12,139,755	10,181,009
Total trade and other payables	25,399,403	33,242,859	12,139,755	10,181,009

The normal trade credit terms granted to the Group are 30 to 60 (2023: 30 to 60) days.

Amounts due to a subsidiary and holding company are unsecured, bear interest at the rate ranging from 4.79% to 5.04% (2023: 3.79% to 4.79%) per annum and are repayable on demand.

Amounts due to related parties are unsecured, interest free and repayable on demand.

27. DERIVATIVES LIABILITIES

	Contract/Notional amount		Group	
	2024 RM	2023 RM	2024 RM	2023 RM
Forward currency contracts	-	3,256,844	-	5,799

Forward currency contracts are used to manage the Group's sales denominated in United States Dollar (USD) and Euro (EUR) for which firm commitments existed at reporting date. These contracts are not designated as cash flow or fair value hedges.

Forward currency contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing model, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates.

28. DIVIDEND

Recognised during the financial year	Group/Company	
	2024 RM	2023 RM
Dividend on ordinary shares:		
First and final single-tier dividend of 5.0 sen (2023: 3.0 sen) per ordinary share	2,004,845	1,202,907

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 January 2024

29. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Identities of related parties

Parties are considered to be related to the Group and to the Company if the Group and the Company have the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties could be individuals or other entities.

(b) Related parties' transactions

The aggregate value of transactions of the related parties of the Group and of the Company were as follows:

Name of related parties	Type of transactions	Transaction value	
		2024 RM	2023 RM
Group			
Entities under common control:			
Andum Sdn. Bhd.	Purchase of labour and materials	41,861	–
Atlantica Sdn. Bhd.	Purchase of palm kernel	16,774,609	19,263,087
	Rental income	(12,000)	(12,000)
	Sale of fresh fruit bunches	(3,989)	(2,928)
Branko Sdn. Bhd.	Purchase of labour and materials	375,305	6,014
Brantian Palm Oil Sdn. Bhd.	Miscellaneous income	(18,304)	(18,964)
	Purchase of goods	10	1,400
	Purchase of palm acid oils	–	2,215,521
	Purchase of palm kernel	11,058,229	18,316,578
	Rental income	(12,000)	(12,000)
	Sale of store and supplies	(2,048)	(35,528)
Cahaya Setia Resources Sdn. Bhd.	Purchase of goods	35,550	1,163
Evergreen Intermerge Sdn. Bhd.	Purchase of fertilisers	892,626	292,915
	Utilities expenses	91,147	101,848
Fidelity Nova Sdn. Bhd.	Purchase of fuel and oil	80,228	–
Happy Valley Sdn. Bhd.	Purchase of goods	79	–
Hoko Sdn. Bhd.	Miscellaneous expenses	3,604	5,244
	Rental expenses	109,133	95,679
Hotel Emas Sdn. Bhd.	Purchase of goods	23,152	15,513
	Sale of fruits	(2,738)	(27,064)
Jolly Land Sdn. Bhd.	Rental expenses	44,400	45,050
	Utilities expenses	46,920	46,920

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 January 2024

29. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

(b) Related parties' transactions (Cont'd)

The aggregate value of transactions of the related parties of the Group and of the Company were as follows: (Cont'd)

Name of related parties	Type of transactions	Transaction value	
		2024 RM	2023 RM
Group			
Entities under common control: (Cont'd)			
Khas Culture Sdn. Bhd.	Purchase of goods	96	97
Konsep Muktamad Sdn. Bhd.	Hiring and transport income	–	(844)
	Purchase of palm acid oils	–	8,447,897
	Purchase of palm kernel	10,851,049	22,754,149
	Rental income	(101,400)	(101,400)
	Sale of fresh fruit bunches	(2,767,892)	(2,885,679)
	Utilities expenses	73,705	79,773
Ladang Subur Sdn. Bhd.	Hiring and transport income	(4,420)	(8,201)
	Labour and store supplies income	(42,363)	(13,203)
Prosperous Sebatik Sdn. Bhd.	Plantation administrative fees	36,000	36,000
	Purchase of fertilisers	179,367	195,232
	Purchase of palm kernel	10,687,247	16,844,599
	Purchase of palm acid oils	4,440,835	–
	Rental income	(41,975)	(36,193)
	Sale of fresh fruit bunches	(765,169)	(1,142,033)
Semporna Estate Sdn. Bhd.	Rental income	(2,500)	–
	Miscellaneous income	(3,717)	–
Stellar Domain Sdn. Bhd.	Rental income	(8,400)	–
	Sale of cocoa powder	(804)	–
Stellar Energy Sdn. Bhd.	Hiring and transport income	(1,980)	(11,203)
	Labour and store supplies income	(366,429)	(114,183)
	Purchase of labour and materials	24,115	9,661
	Purchase of fresh fruit bunches	15,431	117,304
	Purchase of wet cocoa beans	1,925	939
Sudutjasa Sdn. Bhd.	Sale of palm kernel expeller	(389,317)	(334,556)
	Labour and store supplies income	(121,949)	(86,967)
Sungai Burung Industries Sdn. Bhd.	Acquisition of property, plant and equipment	–	58,377
	Rental income	(12,000)	(12,000)
	Purchase of goods	326	4,913
	Purchase of palm acid oils	–	4,296,398
	Purchase of palm kernel	17,300,953	34,226,756
	Sale of fresh fruit bunches	(5,726,247)	(6,914,686)

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 January 2024

29. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

(b) Related parties' transactions (Cont'd)

The aggregate value of transactions of the related parties of the Group and of the Company were as follows: (Cont'd)

Name of related parties	Type of transactions	Transaction value	
		2024 RM	2023 RM
Group			
Entities under common control: (Cont'd)			
Syarikat Padi Sawa Sdn. Bhd.	Purchase of fuels and oils	30,160	8,000
	Maintenance expenses	594	495
Teck Guan (China) Ltd.	Sale of crude kernel palm oil	(204,404,159)	(361,887,191)
	Sale of palm oil related products	–	(16,043,845)
Teck Guan Development Sabah Sdn. Bhd.	Labour and store supplies income	(2,890)	–
Teck Guan Fertilizers Sdn. Bhd.	Purchase of fertilisers	399,413	1,401,980
Teck Guan Holdings Sdn. Bhd.	Insurance expenses	966	944
	Purchase of labour and materials	4,190	–
Teck Guan Industries Sdn. Bhd.	Miscellaneous income	(2,387)	(2,498)
	Purchase of fertilisers	26,906	113,244
	Lease payments	2,166,240	2,166,240
Teck Guan Plantations Sdn. Bhd.	Purchase of labour and materials	488,594	103,618
	Purchase of palm acid oils	–	628,560
	Purchase of palm kernel	14,271,848	18,404,566
	Sale of fresh fruit bunches	(458,227)	(180,922)
	Miscellaneous expenses	5,415	4,405
	Hiring and transport expenses	23,116	–
Teck Guan Sdn. Bhd.	Insurance expenses	240,519	738,230
	Purchase of goods	395,133	340,740
	Rental income	(18,000)	(18,000.00)
Teck Guan Steel Sdn. Bhd.	Purchase of goods	–	1,800
Teck Guan Trading Sdn. Bhd.	Hiring and transport expenses	48,211	46,764
	Miscellaneous income	(1,531)	(1,628)
	Purchase of fertilisers	363,908	267,430
	Purchase of labour and materials	121,210	–
	Sale of cocoa beans	–	(24)
	Sale of cocoa powder	(462,580)	(626,838)
	Sale of cocoa products	(2,701,104)	(2,072,613)
TG.Com Sdn. Bhd.	Insurance expenses	5,177	4,555

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 January 2024

29. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

(b) Related parties' transactions (Cont'd)

The aggregate value of transactions of the related parties of the Group and of the Company were as follows: (Cont'd)

Name of related parties	Type of transactions	Transaction value	
		2024 RM	2023 RM
Group			
Entities under common control: (Cont'd)			
Tri-Grow Sdn. Bhd.	Sale of fresh fruit bunches	–	(116,284)
Utas Sutera Sdn. Bhd.	Insurance expenses	98,454	97,073
	Sale of fresh fruit bunches	(122,276)	(162,099)
Wawasan Megaprima Sdn. Bhd.	Sale of palm kernel expeller	(23,200)	(307,668)
Wise Mission Sdn. Bhd.	Disposal of property, plant and equipment	–	(7,000)
	Hiring and transport expenses	29,857	32,370
Holding company:			
HTG Holdings Sdn. Bhd.	Interest expenses	509,632	914,930
Company			
Subsidiaries:			
Cacao Paramount Sdn. Bhd.	Administrative fees	(420,000)	(420,000)
	Interest income	–	(1,329,735)
Majulah Koko Tawau Sdn. Bhd.	Administrative fees	(120,000)	(120,000)
	Interest expenses	7,521	139,241
Tawau Cocoa Estate Sdn. Bhd.	Administrative fees	(300,000)	(300,000)
	Interest income	(832,265)	(608,911)
Holding company:			
HTG Holdings Sdn. Bhd.	Interest expenses	509,632	914,930
Entities under common control:			
Hoko Sdn. Bhd.	Miscellaneous expenses	313	1,279
	Rental expenses	8,105	8,517
Hotel Emas Sdn. Bhd.	Purchase of goods	2,174	215
Jolly Land Sdn. Bhd.	Utilities expenses	11,640	11,640
	Rental expenses	19,200	21,700

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 January 2024

29. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

(b) Related parties' transactions (Cont'd)

The aggregate value of transactions of the related parties of the Group and of the Company were as follows: (Cont'd)

Name of related parties	Type of transactions	Transaction value	
		2024 RM	2023 RM
Company			
Entities under common control: (Cont'd)			
Teck Guan Holdings Sdn. Bhd.	Insurance expenses	60	96
Teck Guan Sdn. Bhd.	Purchase of goods	–	900
Teck Guan Trading Sdn. Bhd.	Purchase of goods	–	47
Utas Sutera Sdn. Bhd.	Insurance expenses	423	374

Related companies are companies within the HTG Holdings Sdn. Bhd. group.

- (i) Interest income and interest expenses arose from amounts due from/(to) subsidiaries and amount due to holding company.
- (ii) Sale of products and rendering of services to related companies were made according to the published prices and conditions offered to the major customers of the Group, except that a longer credit period is normally granted.
- (iii) Purchase of products and services from related companies were made according to the published prices and conditions offered by these related companies to their major customers, except that a longer credit period is normally granted.
- (iv) Administrative fees received were according to the monthly rate agreed between both parties for the services rendered.

Information regarding outstanding balance arising from related party transactions as at 31 January 2024 are disclosed in Notes 20 and 26 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 January 2024

29. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

(c) Compensation of key management personnel

The remuneration of Directors and other member of key management personnel during the financial year was as follows: -

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Short-term employee benefits	1,103,268	843,730	675,788	528,064
Contributions to defined contribution plan	113,940	83,184	62,802	45,180
	1,217,208	926,914	738,590	573,244
Included in the key management personnel are:				
Directors' remuneration (Note 9)	1,066,357	776,151	587,739	422,481
Key management personnel's remuneration	150,851	150,763	150,851	150,763
	1,217,208	926,914	738,590	573,244

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly, including any Director of the Group and of the Company.

The terms and conditions and prices of the above transactions are mutually agreed between the parties.

30. FINANCIAL GUARANTEES

The fair value of financial guarantees provided by the Company to the banks to secure banking facilities granted to subsidiaries as disclosed in Note 24 to the financial statements with nominal amount of RM250,350,000 (2023: RM250,350,000) are negligible as the probability of the financial guarantees being called is remote as those subsidiaries will be able to meet their short term loans and borrowings obligations as and when they are due.

31. CAPITAL COMMITMENT

	Group	
	2024 RM	2023 RM
Approved and contracted for:		
- Property, plant and equipment	641,371	1,044,000

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 January 2024

32. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Financial assets				
<u>Measured at amortised cost</u>				
Trade and other receivables	3,425,770	12,384,835	17,633,184	16,700,857
Cash and bank balances	56,668,786	55,066,959	313,093	1,583,772
	60,094,556	67,451,794	17,946,277	18,284,629
Financial liabilities				
<u>Measured at amortised cost</u>				
Trade and other payables	25,399,403	33,242,859	12,139,755	10,181,009
Loans and borrowings	11,148,177	15,738,775	–	–
Lease liability	9,596,736	11,243,108	–	–
	46,144,316	60,224,742	12,139,755	10,181,009

A reconciliation of trade and other receivables financial assets to the amounts reflected in the statements of financial position is as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Trade and other receivables				
As reflected in the statements of financial position (Note 20)	4,236,716	13,165,793	17,652,567	16,720,240
Less: Deposits	(699,739)	(699,410)	(1,050)	(1,050)
Prepayments	(111,207)	(81,548)	(18,333)	(18,333)
	3,425,770	12,384,835	17,633,184	16,700,857

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 January 2024

32. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk.

The Board of Directors reviews and agrees on policies and procedures for the management of these risks, which are executed by Chief Financial Officer. The audit committee provides independent oversight to the effectiveness of the risk management process.

It is, and has been throughout the current and previous financial years, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty defaults on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties.

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

As at the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by:

- the carrying amount of each class of financial assets recognised in the statements of financial position; and
- a nominal amount of RM250,350,000 (2023: RM250,350,000) relating to corporate guarantees provided by the Company to the banks to secure banking facilities granted to the subsidiaries.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 120 days when they fall due, which are derived based on the Group's historical information.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 January 2024

32. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forwarding-looking information which includes the following indicators:

- Actual or expected change in external or internal credit rating;
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations;
- Actual or expected significant changes in the operating results of the borrower;
- Significant increases in credit risk on other financial instruments of the same borrower; and
- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 90 days past due in making contractual payment.

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the issuer or the borrower;
- A breach of contract, such as a default or past due event;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- There is a disappearance of an active market for that financial asset because of financial difficulty.

The Group categorises a loan or receivable for potential write-off when a debtor fails to make contractual payments more than 180 days past due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the Group continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The following are credit risk management practices and quantitative and qualitative information about amounts arising from expected credit losses for each class of financial assets.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 January 2024

32. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

(a) Trade receivables

As there are only a few customers, the Group assessed the risk of loss of each customer individually based on their financial information, past trend of payments and external credit ratings, where applicable. These customers have low risk of default.

The ageing analysis of the Group's trade receivables as at the reporting date is as follows:

	Gross amount RM	Expected credit losses RM	Carrying value RM
2024			
Not past due	2,969,170	–	2,969,170
Past due:			
- less than 30 days	235,544	–	235,544
- between 31 to 60 days	–	–	–
- between 61 to 90 days	–	–	–
- more than 90 days	1,651,209	(1,647,836)	3,373
	1,886,753	(1,647,836)	238,917
	4,855,923	(1,647,836)	3,208,087
2023			
Not past due	7,588,962	–	7,588,962
Past due:			
- less than 30 days	1,380,390	–	1,380,390
- between 31 to 60 days	–	–	–
- between 61 to 90 days	–	–	–
- more than 90 days	2,679,874	–	2,679,874
	4,060,264	–	4,060,264
	11,649,226	–	11,649,226

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM238,917 (2023: RM4,060,264) that are past due at the reporting date but not impaired. These receivables are unsecured in nature.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 January 2024

32. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

(b) Other receivables

For other receivables, a lifetime expected credit loss is assessed for those counterparties that show significant increase in credit risk as at the end of the reporting period, and impairment made based on objective evidence of impairment.

(c) Amounts due from subsidiaries

Generally, the Company considers the amounts due from subsidiaries have low credit risk. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries outstanding balances when they are payable, the Company considers the amounts due from subsidiaries to be in default when the subsidiaries are not able to pay when demanded.

The Company considers the amount due from subsidiary to be credit impaired when:

- The subsidiary is unlikely to repay its outstanding balances to the Company in full; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

(d) Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

These banks and financial institutions have low credit risks. Consequently, the Group and the Company are of the view that loss allowance is not material and hence, it is not provided for.

(e) Financial guarantees

At the reporting date, the Company's maximum exposure to credit risk is represented by the nominal amount of RM250,350,000 (2023: RM250,350,000) relating to corporate guarantees provided by the Company to banks for banking facilities granted to subsidiaries. The Company monitors the ability of the subsidiaries to service their loans on an individual basis. The Company determines the probability of default of the guaranteed loans individually using internal information available.

As at the end of the reporting period, the Group did not recognise any allowance for impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 January 2024

32. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the reporting date is as follows:

Group/Company

	2024		2023	
	RM	% of total	RM	% of total
By country:				
Germany	3,403	–	–	–
Malaysia	1,571,942	49	1,232,380	11
Pakistan	1,632,742	51	5,295,530	45
Singapore	–	–	5,121,316	44
	3,208,087	100	11,649,226	100

As at reporting date, the Group has significant concentration of credit risk in the form of outstanding balance due from 2 (2023: 2) overseas customers representing 51% (2023: 67%) of the total trade receivables.

(ii) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from financial institutions and balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 January 2024

32. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table sets out the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):

Group

	Contractual interest rate %	Carrying amount RM	Contractual undiscounted cashflows RM	Within one (1) year RM	One (1) to five (5) years RM	Over five (5) years RM
2024						
Financial liabilities						
Trade and other payables	–	25,399,403	25,399,403	25,399,403	–	–
Loans and borrowings	3.69 – 7.29	11,148,177	11,875,478	5,761,790	2,136,132	3,977,556
Lease liability	5.04	9,596,736	10,831,200	2,166,240	8,664,960	–
		46,144,316	48,106,081	33,327,433	10,801,092	3,977,556

2023

Financial liabilities

Trade and other payables	–	33,242,859	33,242,859	33,242,859	–	–
Loans and borrowings	2.43 – 7.04	15,738,775	16,772,991	8,470,265	2,225,333	6,077,393
Lease liability	5.04	11,243,108	12,997,440	2,166,240	8,664,960	2,166,240
		60,224,742	63,013,290	43,879,364	10,890,293	8,243,633

Company

2024

Financial liabilities

Trade and other payables	–	12,139,755	12,139,755	12,139,755	–	–
Financial guarantees*	–	250,350,000	250,350,000	250,350,000	–	–
		262,489,755	262,489,755	262,489,755	–	–

2023

Financial liabilities

Trade and other payables	–	10,181,009	10,181,009	10,181,009	–	–
Financial guarantees*	–	250,350,000	250,350,000	250,350,000	–	–
		260,531,009	260,531,009	260,531,009	–	–

* The maximum amount of the issued financial guarantee contracts is allocated to the earliest period in which the guarantees could be called.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 January 2024

32. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises mainly from their loans and borrowings and loans at fixed rate to or from subsidiaries and holding company. Most of the Group's and the Company's loans and borrowings are charged a fixed interest rate plus the financial institutions' cost of fund per annum. The fixed interest rate is reviewed annually. Whilst, the cost of fund used by the financial institutions vary according to the rates set by the respective financial institutions. Meanwhile, interest rate charged on leases liability is fixed at the inception of the lease arrangement. The investments in financial assets are mainly short term in nature and have been mostly placed in fixed deposits.

The Group's policy is to manage interest cost using a mix of fixed and floating rate debts.

The following table details the sensitivity analysis to a reasonably possible change in the interest rates as at the end of the reporting period, with all other variables held constant:

	Group (Decrease)/Increase		Company (Decrease)/Increase	
	2024 RM	2023 RM	2024 RM	2023 RM
Effects on profit after taxation				
Increase of 60 bp (2023: 65 bp)	(107,459)	(235,510)	(50,027)	(36,124)
Decrease of 60 bp (2023: 65 bp)	107,459	235,510	50,027	36,124

(iv) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in foreign exchange rate.

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than in RM. The foreign currency in which the transactions are denominated are mainly US Dollars ("USD").

Approximately 94% (2023: 96%) of the Group's sales are denominated in foreign currencies and 86% (2023: 88%) of cost of sales are denominated in RM. 51% (2023: 89%) of the Group's trade receivables as at reporting date are denominated in foreign currencies.

The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes. At the reporting date, such foreign currency balances (mainly in USD) amounted to RM3,369,728 (2023: RM25,124,793).

The Group uses forward currency contracts to eliminate the currency exposures on transactions for which payment is anticipated more than one month after the Group has entered into a firm commitment for a sale or purchase. It is the Group's policy not to enter into forward contracts until a firm commitment is in place. These contracts are not designated as cash flow or fair value hedges. Most of the financial exchange contracts have maturities of less than one (1) year after the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 January 2024

32. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(iv) Foreign currency risk (Cont'd)

The following table demonstrates the sensitivity of the Group's profit after tax to a reasonably possible change in the USD exchange rate against the functional currency of the Group, with all other variables held constant:

	Group	
	(Decrease)/Increase 2024 RM	2023 RM
Effects on profit after taxation		
USD/RM		
- strengthened 5% (2023: 5%)	190,057	1,336,730
- weakened 5% (2023: 5%)	(190,057)	(1,336,730)

33. FAIR VALUE INFORMATION

The financial assets and financial liabilities maturing within the next twelve (12) months approximated their fair values due to the relatively short-term maturity of the financial instruments.

The carrying amount of the variable rate term loan approximated its fair value as the loan will be re-priced to market interest rate on or near reporting date.

As at the reporting date, the Group held the following at fair value in the statement of financial position:

	Note	Carrying amount RM	Level 1 RM	Level 2 RM	Level 3 RM
2024					
Asset measured at fair value					
Biological assets	18	325,628	–	–	325,628
2023					
Asset/(Liability) measured at fair value					
Biological assets	18	450,727	–	–	450,727
Derivative liabilities	27	(5,799)	–	(5,799)	–
		444,928	–	(5,799)	450,727

There have been no transfers between the levels during the current and previous financial years.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 January 2024

33. FAIR VALUE INFORMATION (CONT'D)

Financial guarantees

The fair value of financial guarantees is determined based on probability weighted discounted cash flow method. The probability has been estimated and assigned using the following key assumptions:

- The likelihood of the guaranteed party defaulting within the guaranteed period;
- The exposure on the portion that is not expected to be recovered due to the guaranteed party's default; and
- The estimated loss exposure if the guaranteed party were to default.

The financial guarantees have not been recognised in the financial statements of the Company as the requirements to reimburse are remote and the Company does not expect to incur material losses under these corporate guarantees. As at 31 January 2024, there was no indication that the subsidiaries would default on payments.

34. CAPITAL MANAGEMENT

The primary objective of the Group's and of the Company's capital management is to ensure that they maintain a strong credit rating and healthy capital ratios in order to support their businesses and maximise shareholders' value.

The Group and the Company manage their capital structure, and make adjustment to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust dividend payment to shareholders, return capital to shareholders or issue new shares. The Group's strategies were unchanged from the previous financial year.

The Group and the Company monitor capital using gearing ratio. The gearing ratio is calculated as net debt divided by total equity. Net debt is calculated as borrowings plus payables less cash and bank balances.

The gearing ratio of the Group and of the Company as at the end of the reporting period was as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Loans and borrowings	11,148,177	15,738,775	–	–
Lease liability	9,596,736	11,243,108	–	–
Trade and other payables	25,399,403	33,242,859	12,139,755	10,181,009
Less: Cash and bank balances	(56,668,786)	(55,066,959)	(313,093)	(1,583,772)
Net debt	(10,524,470)	5,157,783	11,826,662	8,597,237
Total equity	112,820,132	107,134,935	63,006,768	62,293,415
Gearing ratio	–	5%	19%	14%

The Group maintains a gearing ratio that complies with the applicable debt covenant as at the reporting date. The Group is not subject to any other externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 January 2024

35. SEGMENT INFORMATION

(i) Operating segment

For management purposes, the Group is organised into business units based on its products and services, and has three (3) reportable operating segments as follows:

- (i) Cocoa products segment – manufacturing and sale of cocoa products and trading and sale of dried cocoa beans;
- (ii) Oil palm products segment – Operation of oil palm plantations, operation of kernel crushing plant; and
- (iii) Corporate segment – Group-level corporate service and treasury functions.

Except as indicated above, no other operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated statement of profit or loss and other comprehensive income. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

During the financial year ended 31 January 2024, revenue derived from sale of crude palm kernel oil to Teck Guan (China) Ltd. amounted to RM204,404,159 (2023: RM377,931,036) representing 69% (2023: 77%) of total revenue of the Group.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 January 2024

35. SEGMENT INFORMATION (CONT'D)

(i) Operating segment (Cont'd)

	Cocoa products		Oil palm products		Corporate		Adjustments and eliminations		Note	Per consolidated financial statements	
	2024 RM	2023 RM	2024 RM	2023 RM	2024 RM	2023 RM	2024 RM	2023 RM		2024 RM	2023 RM
Revenue:											
External customers	23,462,056	18,198,509	270,747,296	471,466,468	-	-	-	-		294,209,352	489,664,977
Inter-segment	1,257	300	-	-	840,000	840,000	(841,257)	(840,300)	(a)	-	-
Total revenue	23,463,313	18,198,809	270,747,296	471,466,468	840,000	840,000	(841,257)	(840,300)	(b)	294,209,352	489,664,977
Results:											
Interest income	135,095	235,154	742,351	752,181	846,051	1,954,752	(839,786)	(2,077,887)		883,711	864,200
Finance costs	-	-	(2,008,851)	(3,698,163)	(517,153)	(1,054,171)	839,786	2,077,887		(1,686,218)	(2,674,447)
Depreciation of property, plant and equipment	73,115	42,356	2,057,418	1,890,508	-	-	-	-		2,130,533	1,932,864
Depreciation of right-of-use assets	1,127	1,127	2,570,207	2,414,069	-	-	-	-		2,571,334	2,415,196
Impairment loss on receivables	-	-	1,647,836	-	-	-	-	-		1,647,836	-
Segment profit/(loss)	2,695,978	1,535,880	8,497,456	38,842,498	(171,838)	499,870	-	-		11,021,596	40,878,248
Assets:											
Additions to non-current assets	764,407	121,731	3,103,526	26,889,133	-	-	-	-	(c)	3,867,933	27,010,864
Segment assets	22,635,807	20,368,665	142,038,270	152,417,323	75,146,523	72,474,424	(73,455,455)	(70,810,500)	(d)	163,467,370	174,449,912
Liabilities:											
Segment liabilities	736,043	407,296	57,116,505	73,432,218	12,139,755	10,181,009	(19,345,065)	(16,705,546)	(e)	50,647,238	67,314,977

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 January 2024

35. SEGMENT INFORMATION (CONT'D)

(i) Operating segment (Cont'd)

(a) Inter-segment revenue are eliminated on consolidation.

(b) Timing of revenue recognition:

	2024		2023	
	Cocoa products RM	Oil palm products RM	Cocoa products RM	Oil palm products RM
At a point in time	22,467,033	261,537,037	17,219,064	456,423,807
Over time	995,023	9,210,259	979,445	15,042,661
	23,462,056	270,747,296	18,198,509	471,466,468

(c) Additions to non-current assets consist of:

	2024 RM	2023 RM
Property, plant and equipment	2,552,351	6,561,923
Right-of-use assets	1,315,582	20,448,941
	3,867,933	27,010,864

(d) The following items are added to segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2024 RM	2023 RM
Deferred tax assets	95,935	869,000
Tax recoverable	375,996	110,077
	471,931	979,077

(e) The following items are added to segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	2024 RM	2023 RM
Deferred tax liabilities	4,074,170	4,108,524
Taxation	428,752	2,975,912
	4,502,922	7,084,436

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 January 2024

35. SEGMENT INFORMATION (CONT'D)

(ii) Geographical information

Revenue information based on the geographical location of customers are as follows:

	Revenue	
	2024 RM	2023 RM
Iraq	12,217,269	5,302,374
Turkey	101,886	–
Iran	520,857	10,988,687
China	239,652,989	394,314,487
Hong Kong	144,518	–
Korea	15,947,251	27,699,803
Malaysia	18,211,931	17,594,847
Pakistan	6,423,290	19,187,141
Sri Lanka	238,161	444,458
Russia	1,122	–
Philippines	547,002	–
India	203,076	202,635
Vietnam	–	2,544,634
Canada	–	182,690
Belgium	–	7,656,568
Netherlands	–	3,546,653
	<hr/>	<hr/>
	294,209,352	489,664,977

(iii) Major customers

Revenue from 1 (2023: 1) major customer amounted to RM204,404,159 (69% of revenue) (2023: RM377,931,036 (77% of revenue)) respectively arising from oil palm products segment.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 January 2024

36. COMPARATIVE FIGURES AND PRIOR YEAR ADJUSTMENTS

Group

	As previously reported RM	RM (a)	Adjustment RM (b)	RM (c)	As restated RM
Statement of financial position					
<u>31 January 2023</u>					
Property, plant and equipment	19,591,216	–	1	–	19,591,217
Deferred tax assets	–	–	–	869,000	869,000
Trade and other receivables	–	13,165,793	–	–	13,165,793
Trade receivables	11,649,226	(11,649,226)	–	–	–
Other receivables, deposits and prepayments	1,516,567	(1,516,567)	–	–	–
Short-term deposits with licensed banks	48,687,542	(48,687,542)	–	–	–
Cash and bank balances	6,379,417	48,687,542	–	–	55,066,959
Retained profits	(67,031,032)	–	(1)	–	(67,031,033)
Deferred tax liabilities	(3,239,524)	–	–	(869,000)	(4,108,524)
Trade and other payables	–	33,242,859	–	–	33,242,859
Trade payables	20,072,390	(20,072,390)	–	–	–
Other payables and accruals	3,172,323	(3,172,323)	–	–	–
Amount owing to holding company	9,998,146	(9,998,146)	–	–	–
Statement of profit or loss and other comprehensive income					
<u>31 January 2023</u>					
Cost of sales	(418,183,028)	979,445	–	–	(417,203,583)
Other operating income	1,389,400	7,026	–	–	1,396,426
Selling and distribution expenses	(19,318,427)	(979,445)	–	–	(20,297,872)
Administrative expenses	(10,000,228)	3,680,775	1	–	(6,319,452)
Other expenses	–	(3,687,801)	–	–	(3,687,801)

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 January 2024

36. COMPARATIVE FIGURES AND PRIOR YEAR ADJUSTMENTS (CONT'D)

Company

	As previously reported RM	Adjustment RM (a)	As restated RM
Statement of financial position			
<u>31 January 2023</u>			
Trade and other receivables	–	16,720,240	16,720,240
Other receivables, deposits and prepayments	19,383	(19,383)	–
Amount owing by subsidiaries	16,700,857	(16,700,857)	–
Short-term deposits with licensed banks	1,550,000	(1,550,000)	–
Cash and bank balances	33,772	1,550,000	1,583,772
Trade and other payables	–	(10,181,009)	(10,181,009)
Other payables and accruals	(182,863)	182,863	–
Amount owing to holding company	(9,998,146)	9,998,146	–

- (a) Relates to comparative figures being reclassified to conform to the current year presentation.
- (b) Relates to reversal of property, plant and equipment wrongly written off in previous financial year.
- (c) The Group erroneously offset the deferred tax assets of a subsidiary against the deferred tax liabilities of another two subsidiaries. This is not in accordance with paragraph 74 (b)(i) of MFRS 112 Income Taxes which allows only deferred tax assets and deferred tax liabilities relating to the same taxable entity to be offset against each other. This error has been corrected in the current financial year by way of a prior year adjustment, i.e. retrospective adjustment.

This page has been intentionally left blank

TECK GUAN PERDANA BERHAD

Registration No. 199401021418 (307097-A)

(Incorporated in Malaysia)

Registered Office: 318, Teck Guan Regency, Jalan St. Patrick, Off Jalan Belunu, 91000 Tawau, Sabah.

FORM OF PROXYI/We _____
(Please use block letters)of _____
(Full address)

being a member/members of TECK GUAN PERDANA BERHAD hereby appoint _____

email address _____ contact no. _____

or failing him/her _____

email address _____ contact no. _____

as my/our proxy to vote for me/us on my/our behalf at the Thirtieth Annual General Meeting of the Company, to be held at Xocolatt Hall, Ground Floor, Hotel Emas, Jalan Utara, 91000 Tawau, Sabah on Thursday, 27 June 2024 at 9.00 a.m. and at any adjournment thereof.

		For	Against
Resolution 1	To approve a first and final single-tier dividend of 4.0 sen per ordinary share for the financial year ended 31 January 2024.		
Resolution 2	To approve the payment of Directors' fees not exceeding the amount RM54,000 and any benefits payable for the financial year ending 31 January 2025.		
Resolution 3	To re-elect Mr. Tham Vui Vun who retires by rotation as a Director of the Company pursuant to Article 91 of the Company's Constitution.		
Resolution 4	To re-elect Mr. Fung Hiuk Bing who retires by rotation as a Director of the Company pursuant to Article 91 of the Company's Constitution.		
Resolution 5	To re-appoint Messrs. PKF PLT as Auditors of the Company and authorize the Directors to fix their remuneration.		
Resolution 6	Continuation in office for Mr. Tham Vui Vun as Independent Non-Executive Director.		
Resolution 7	Continuation in office for Mr. Wong Peng Mun as Independent Non-Executive Director.		
Resolution 8	Continuation in office for Mr. Fung Hiuk Bing as Independent Non-Executive Director.		
Resolution 9	Authority for Directors to Allot and Issue New Ordinary Shares Pursuant to Sections 75 and 76 of the Companies Act, 2016.		
Resolution 10	Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions and Shareholders' Mandate for Additional Recurrent Related Party Transactions		

(Please indicate with an "X" in the appropriate box against each resolution how you wish your proxy to vote. If this proxy form is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he/she thinks fit.)

Dated this _____ day of _____ 2024

CDS Account No:	
Number of Shares Held:	

For appointment of two (2) proxies, percentage of shareholdings to be represented by each proxy is as follow:		
	No. of Shares	Percentage (%)
Proxy 1		
Proxy 2		
Total		100%

Signature/Common Seal of Member

Notes:

1. A proxy may but need not be a member of the Company and there is no restriction as to the qualification of a proxy. Provided that, having appointed a proxy or an attorney to attend in his stead, if such member personally attends the meeting, his proxy or attorney shall be precluded from attending such meeting.
2. A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting and where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
3. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account) as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
4. If the appointor is a corporation, the proxy form must be executed under its Common Seal or under the hand of its attorney.
5. To be valid the duly completed proxy form must be deposited at the Registered Office of the Company at 318, Teck Guan Regency, Jalan St. Patrick, Off Jalan Belunu, 91000 Tawau, Sabah or electronically via email perdana@teckguan.com not less than ninety-six (96) hours before the time fixed for holding the Meeting.
6. Only members whose names appear in the Record of Depositors as at 20 June 2024, issued by Bursa Malaysia Depository Sdn. Bhd., will be entitled to attend and vote at the fully physical meeting or appoint proxy(ies) to attend and vote on their behalf.
7. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of Annual General Meeting ("AGM") will be put to vote by way of poll.
8. By submitting the duly executed proxy form, the member and his/her proxy consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010 for the purpose of the AGM and any adjournment thereof.

1st Fold Here

AFFIX
STAMP

The Company Secretary
TECK GUAN PERDANA BERHAD
[Registration No. 199401021418 (307097-A)]
318, Teck Guan Regency
Jalan St. Patrick, Off Jalan Belunu
91000 Tawau, Sabah
Malaysia

2nd Fold Here

Fold This Flap For Sealing



TECK GUAN PERDANA BERHAD

199401021418 (307097-A)