



TECK GUAN PERDANA BERHAD

199401021418 (307097 - A)

UNAUDITED FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 OCTOBER 2023

TECK GUAN PERDANA BERHAD

199401021418 (307097-A)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL PERIOD (3rd quarter)		CUMULATIVE PERIOD	
	Current Year Quarter 31/10/2023 RM'000	Preceding Year Corresponding Quarter 31/10/2022 RM'000	Current Year ToDate 31/10/2023 RM'000	Preceding Year Corresponding Period 31/10/2022 RM'000
Revenue	91,253	136,240	212,940	417,243
Cost of sales	(85,818)	(105,751)	(198,121)	(366,908)
Gross profit	5,435	30,489	14,819	50,335
Other operating income	1,038	2,688	1,928	3,146
Administrative expenses	(1,954)	(1,533)	(5,514)	(4,636)
Operating profit	4,519	31,644	11,233	48,845
Interest income	225	212	617	491
Finance costs	(427)	(698)	(1,279)	(2,016)
Profit before tax	4,317	31,158	10,571	47,320
Taxation	(676)	(8,617)	(2,228)	(12,544)
Profit net of tax	3,641	22,541	8,343	34,776
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	3,641	22,541	8,343	34,776

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

	INDIVIDUAL PERIOD (3rd quarter)		CUMULATIVE PERIOD	
	Current Year Quarter 31/10/2023 RM'000	Preceding Year Corresponding Quarter 31/10/2022 RM'000	Current Year ToDate 31/10/2023 RM'000	Preceding Year Corresponding Period 31/10/2022 RM'000
Profit attributable to:				
Owners of the Company	<u>3,641</u>	<u>22,541</u>	<u>8,343</u>	<u>34,776</u>
Total comprehensive income attributable to:				
Owners of the Company	<u>3,641</u>	<u>22,541</u>	<u>8,343</u>	<u>34,776</u>
Earnings per share attributable to owners of the Company:				
Basic, for the period (Sen)	9.08	56.22	20.81	86.73
Diluted, for the period (Sen)	na	na	na	na

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements of the Company for the year ended 31 January 2023 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As At End Of Current Quarter 31/10/2023 RM'000	As At Preceding Financial Year End 31/01/2023 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	20,283	19,591
Right-of-use assets	50,864	52,549
	71,147	72,140
Current Assets		
Biological assets	396	451
Inventories	32,060	32,647
Trade and other receivables	51,438	13,166
Short-term deposits with licensed banks	4,344	48,688
Cash and bank balances	9,683	6,379
Tax recoverable	222	110
	98,143	101,441
TOTAL ASSETS	169,290	173,581
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	40,104	40,104
Retained earnings	73,369	67,031
Total Equity	113,473	107,135
Non-Current Liabilities		
Term Loan	6,208	7,640
Deferred tax liabilities	3,248	3,240
Lease liabilities	8,306	9,597
	17,762	20,477
Current Liabilities		
Loans and borrowings	8,966	8,099
Trade and other payables	27,379	33,243
Derivative	-	6
Lease liabilities	1,710	1,646
Income tax payable	-	2,975
	38,055	45,969
TOTAL LIABILITIES	55,817	66,446
TOTAL EQUITY & LIABILITIES	169,290	173,581
NET ASSETS PER SHARE (SEN)	283.00	267.19

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements of the Company for the year ended 31 January 2023 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to owners of the Company →		Equity, Total RM'000
	Non-distributable	Distributable	
	Share Capital RM'000	Retained Earnings RM'000	
Opening balance at 1 February 2023	40,104	67,031	107,135
Total comprehensive income for the period	-	8,343	8,343
Dividend	-	(2,005)	(2,005)
Closing balance at 31 October 2023	<u>40,104</u>	<u>73,369</u>	<u>113,473</u>
Opening balance at 1 February 2022	40,104	38,479	78,583
Total comprehensive income for the year	-	29,755	29,755
Dividend	-	(1,203)	(1,203)
Closing balance at 31 January 2023	<u>40,104</u>	<u>67,031</u>	<u>107,135</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements of the Company for the year ended 31 January 2023 and the accompanying explanatory notes attached to the interim financial statements.

TECK GUAN PERDANA BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current Year To Date 31/10/2023 RM'000	Preceding Year Corresponding Period 31/10/2022 RM'000
Operating activities		
Profit before taxation	10,571	47,320
<u>Adjustments for:</u>		
Gain on disposal of property, plant and equipment	(16)	(3)
Depreciation of property, plant and equipment	1,593	1,416
Depreciation of right-of-use assets	1,918	1,768
Property, plant and equipment written off	1	1
Net fair value (gain)/loss on forward currency contracts	(6)	10
Net unrealised gain on foreign exchange	(820)	(1,454)
Net fair value loss/(gain) on biological assets	55	(79)
Interest income	(617)	(491)
Interest expense	1,279	2,016
Total adjustments	<u>3,387</u>	<u>3,184</u>
Operating cash flows before changes in working capital	13,958	50,504
<u>Changes in working capital:</u>		
Inventories	587	4,047
Trade and other receivables	(37,536)	14,142
Trade and other payables	(5,855)	8,450
Total changes in working capital	<u>(42,804)</u>	<u>26,639</u>
Cash flows (used in)/generated from operations	(28,846)	77,143
Interest paid	(1,279)	(2,016)
Interest received	617	491
Income tax paid	(5,414)	(4,984)
Income tax refunded	107	411
Net cash flows (used in)/generated from operating activities	<u>(34,815)</u>	<u>71,045</u>

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	Current Year To Date 31/10/2023 RM'000	Preceding Year Corresponding Period 31/10/2022 RM'000
Investing activities		
Purchase of property, plant and equipment	(1,311)	(21,043)
Addition to right-of-use assets	(1,208)	(5,796)
Proceeds from disposal of property, plant and equipment	16	7
Net cash flows used in investing activities	<u>(2,503)</u>	<u>(26,832)</u>
Financing activities		
Dividend paid	(2,005)	(1,203)
Drawdown of letter of credits	17,625	24,456
Repayment of letter of credits	(17,625)	(24,456)
Proceeds from bankers' acceptances	30,388	121,985
Repayment of bankers' acceptances	(28,472)	(167,746)
Repayment of lease liabilities	(1,227)	(1,167)
Repayment of term loan	(1,433)	-
Net cash flows used in financing activities	<u>(2,749)</u>	<u>(48,131)</u>
Net decrease in cash and cash equivalents	<u>(40,067)</u>	<u>(3,918)</u>
Effect of exchange rate changes on cash and cash equivalents	76	671
Cash and cash equivalents at beginning of the period	54,018	39,280
Cash and cash equivalents at end of the period	<u>14,027</u>	<u>36,033</u>
	As At 31/10/2023	As At 31/10/2022
*Cash and cash equivalents at end of the period consists of:		
Cash and bank balances	9,683	15,065
Short-term deposits with licensed banks	4,344	21,936
Bank overdrafts	-	(968)
	<u>14,027</u>	<u>36,033</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements of the Company for the year ended 31 January 2023 and the accompanying explanatory notes attached to the interim financial statements.

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NOTES TO INTERIM FINANCIAL STATEMENTS

1. Basis of preparation

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard MFRS 134: Interim Financial Reporting, IAS 34: Interim Financial Reporting, requirements of the Companies Act 2016 in Malaysia and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 January 2023. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 January 2023.

2. Accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 31 January 2023 except for the following Amendments to MFRSs during the current financial period:

Description	Effective for annual periods beginning on or after
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

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

2. Accounting policies (continued)

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

Description	Effective for annual periods beginning on or after
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current or Non-Current	1 January 2024
Amendments to MFRS 101: Non-Current Liabilities with Covenants	1 January 2024
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

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

3. Audit report

There was no audit qualification in the audit report of the preceding annual financial statements.

4. Seasonal and cyclical factors

The Group's operations are affected by seasonal crop production, weather conditions and fluctuating commodity prices.

5. Unusual items due to their nature, size of incidence

There were no items affecting the assets, liabilities, net income or cash flows that are unusual because of their nature, size of incidence for the interim period.

6. Changes in estimates

There were no significant changes in the amount of estimates that have had a material effect in the current financial results.

7. Debt and equities securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equities securities for the current financial period under review.

8. Dividend paid

There was no dividend payment during the current financial period-to-date.

9. Segmental reporting

Segment analysis for the period ended 31 October 2023 is set out below:

	Palm Oil Products RM'000	Cocoa Products RM'000	Consolidated RM'000
Revenue	196,228	16,712	212,940
Results			
Segment results	11,267	1,609	12,876
Unallocated corporate expenses			(1,026)
Finance cost			(1,279)
Profit before tax			<u>10,571</u>
Assets			
Segment assets	141,667	27,127	168,794
Unallocated assets			496
			<u>169,290</u>
Liabilities			
Segment liabilities	43,786	199	43,985
Unallocated liabilities			11,832
			<u>55,817</u>
Other information			
Capital expenditure	893	418	1,311
Depreciation	1,441	152	1,593
Amortisation	1,918	-	1,918

Palm Oil Products

The palm oil products segment remained the Group's main source of revenue, which contributed 93.66% of the revenue of the Group in the current quarter.

For the quarter under review, revenue for this segment decreased to RM85.47 million from RM132.68 million in the preceding year corresponding quarter. The decrease was mainly attributed to the decrease in selling price.

The operating profit for the current quarter decreased to RM4.05 million from RM31.87 million in the preceding year corresponding quarter. The decrease was primarily attributed to the decrease in operating margin.

Cocoa Products

Cocoa products segment contributed 6.34% to the revenue of the Group as compared to 2.61% in the preceding year corresponding quarter.

10. Changes in composition of the Group

There are no changes in the composition of the Company and the Group for the financial quarter ended 31 October 2023.

11. Discontinued operation

There was no discontinued operation during the quarter ended 31 October 2023.

12. Capital commitment

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

13. Contingent liabilities

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

14. Material related party transactions

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

	9 months ended 31 October 2023 RM'000
Purchase of palm kernel	62,311
Purchase of palm oil related products	3,126
Purchase of fertilizers, chemicals, etc.	2,376
Rental on factory building and infrastructures	1,739
Sales of crude palm kernel oil	139,515
Sales of fresh fruit bunches	7,501
Sales of palm kernel expeller	298
Sales of cocoa powder	393
Sales of chocolate products	1,999
Insurance expenses	284
Interest expenses	370

15. Subsequent Events

There were no material events subsequent to the end of the year that have not been reflected in the financial statements for the period.

16. Review of Group's Performance

	INDIVIDUAL PERIOD (3rd quarter)		Changes %	CUMULATIVE PERIOD		Changes %
	Current Year Quarter 31/10/2023 RM'000	Preceding Year Corresponding Quarter 31/10/2022 RM'000		Current Year Todate 31/10/2023 RM'000	Preceding Year Corresponding Period 31/10/2022 RM'000	
	Revenue	91,253		136,240	-33%	
Gross profit	5,435	30,489	-82%	14,819	50,335	-71%
Operating profit	4,519	31,644	-86%	11,233	48,845	-77%
Profit before tax	4,317	31,158	-86%	10,571	47,320	-78%
Profit net of tax	3,641	22,541	-84%	8,343	34,776	-76%
Profit attributable to ordinary equity holders of the Parent	3,641	22,541	-84%	8,343	34,776	-76%

For the current quarter under review, revenue for the Group decreased by 33% from RM136.24 million to RM91.25 million as compared with preceding year corresponding quarter. The decrease was mainly attributed to the decrease in selling price. Furthermore, the operating profit decreased from RM31.64 million to RM4.52 million compared with preceding year corresponding quarter, the decrease was mainly attributed to the decrease in operating margin.

17. Comment On Material Changes In Profit Before Tax

	Current Quarter 31/10/2023 RM'000	Immediate Preceding Quarter 31/07/2023 RM'000	Changes %
Revenue	91,253	52,958	72%
Gross profit	5,435	5,137	6%
Operating profit	4,519	3,611	25%
Profit before tax	4,317	3,378	28%
Profit net of tax	3,641	2,602	40%
Profit attributable to ordinary equity holders of the Parent	3,641	2,602	40%

The Group registered a profit before tax of RM4.32 million as compared with RM3.38 million in the immediate preceding quarter. The increase was primarily attributed to the increase in sales volume in the current quarter.

18. Current Year Prospects

The current relentless palm products market continues to face challenging environment which tampered by vulnerable fluctuating commodity prices and uncertainties in the global economy. Despite such complex operating condition, the unpredictable weather phenomenon and the long unresolved labour shortage will also further affecting crops yield thus eventually aggravated palm prices.

Nevertheless, the Management is cautiously optimistic on the long term prospects of the palm based industry and continues to focus on enhancing productivity and optimising operating cost efficiency in order to achieve sustainable growth.

19. Profit Forecast

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

20. Profit Before Tax

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

	Quarter Ended 31/10/2023 RM'000	Year-to-date 31/10/2023 RM'000
Interest Income	(225)	(617)
Interest Expenses	427	1,279
Rental Income	(49)	(146)
Depreciation and amortisation	1,189	3,511
Net gain on foreign exchange		
- realised	(459)	(895)
- unrealised	(539)	(819)
Rental of premises	11	33
Rental of equipment	28	81

21. Taxation

	Current Quarter 31/10/2023 RM'000	Year-To-Date 31/10/2023 RM'000
Taxation for the current period	651	2,219
Deferred taxation for the current period	25	9
	<u>676</u>	<u>2,228</u>

22. Profit or Loss on Sale of Unquoted Investment and/or Properties

There was no sale of unquoted investments and/or properties during the current quarter and financial year-to-date.

23. Quoted Securities

There was no purchase or disposal of quoted securities during the current quarter and financial year-to-date and there were no investment in quoted shares as at the end of the quarter.

24. Corporate Proposals

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

25. Loans and borrowings

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

	As at 31/10/2023 RM'000	As at 31/10/2022 RM'000
Current		
Secured:		
Bankers' acceptances	7,056	13,417
Term loan	1,910	159
Lease liabilities	1,710	1,626
	10,676	15,202
Unsecured:		
Bank overdrafts	-	968
	10,676	16,170
Non-current		
Secured:		
Term loan	6,208	9,391
Lease liabilities	8,306	10,016
	14,514	19,407
Total	25,190	35,577

26. Financial Instruments

There have been no significant changes to the Group's exposure credit risk, market risk and liquidity risk from the previous financial year. Also, there have been no changes to the Group's risk management objectives, policies and processes since the previous financial year end.

There were no financial instruments with off balance sheet risk as at the date of announcement.

The un-hedged financial assets and liabilities of the Group that are not denominated in their functional currencies as at the current quarter ended are as follows:-

Functional currency of the Group	United States Dollar RM'000	Euro RM'000	Total RM'000
Trade and other receivables	48,676	3	48,679
Cash and bank balances	3,161	-	3,161
Trade and other payables	111	-	111
Total	51,948	3	51,951

27. Material Litigation

There were no pending material litigations at the date of this report.

28. Dividends

No dividend has been declared for the financial quarter under review.

29. Earnings Per Share

The earnings per share for the current quarter and financial year-to-date are calculated by dividing the profit for the period by the weighted average number of ordinary shares in issue.

	Current Year Quarter 31/10/2023	Preceding Year Corresponding Quarter 31/10/2022	Current Year Todate 31/10/2023	Preceding Year Corresponding Period 31/10/2022
Profit for the period (RM'000)	3,641	22,541	8,343	34,776
Weighted average number of ordinary shares in issue ('000)	40,097	40,097	40,097	40,097
Basic earnings per share (Sen)	9.08	56.22	20.81	86.73

Basic earnings per ordinary share is calculated by dividing the profit for the quarter attributable to ordinary equity holders of the company by the weighted average number of ordinary shares in issue during the quarter.

Diluted earnings per share is not disclosed as the Company does not have any dilutive potential on ordinary shares.

30. Authorisation for issue

The unaudited interim financial statements were authorised for issue by the Board of Directors on 20 December 2023.