TECK GUAN PERDANA BERHAD

199401021418 (307097-A)

ANNUAL REPORT 2023

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Ninth 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 Tuesday, 27th June 2023 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 2023 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 5.0 sen per ordinary share for the financial year ended 31 January 2023. **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 2024. **Resolution 2**

4. To re-elect Mr. Wong Peng Mun 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 Datuk Hong Ngit Ming 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. Crowe Malaysia 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 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 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 that 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 2023 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 5.0 sen per ordinary share for the financial year ended 31 January 2023, if approved, will be paid on 10 August 2023 to depositors registered in the Records of Depositors on 27 July 2023.

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 27 July 2023 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 2023

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 2023, issued by Bursa Malaysia Depository Sdn. Bhd., will be entitled to attend and vote at the fully virtual 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 Peng 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 terms 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 2023 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 29th 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 Vun	Chairman and Independent Non-Executive Director
Datuk Hong Ngit Ming	Managing Director
Hong Kun Yee	Executive Director
Fung Hiuk Bing	Independent Non-Executive Director
Wong Peng Mun	Independent Non-Executive Director

AUDIT & RISK MANAGEMENT COMMITTEE

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

NOMINATION & REMUNERATION COMMITTEE

Wong Peng Mun (Chairman)
Tham Vui Vun
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

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
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

FINANCIAL HIGHLIGHTS

FINANCIAL YEAR ENDED 31 JANUARY	2023 RM'000	2022 RM'000	2021 RM'000 (restated)	2020 RM'000 (restated)	2019 RM'000
RESULTS OF OPERATIONS					
Revenue	489,665	502,509	460,871	273,652	301,902
Pre-Tax Profit	40,878	24,831	10,802	4,561	3,924
After-Tax Profit	29,755	19,731	7,999	3,159	2,521
FINANCIAL POSITION					
Working Capital	55,471	52,286	33,447	27,869	27,691
Net Assets	107,135	78,583	58,853	50,854	49,074
Total Assets	173,581	219,014	137,657	143,795	98,755
Paid-up Capital	40,104	40,104	40,104	40,104	40,104
Shareholders' Funds	107,135	78,583	58,853	50,854	49,074
PER SHARE (in SEN)					
Net Assets	267.2	195.9	146.8	126.8	122.4
Profit Before Tax*	101.9	61.9	26.9	11.4	9.8
Profit After Tax*	74.2	49.2	19.9	7.9	6.3
Dividend – Final (Gross)	5.0 **	3.0	0.0	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

** At the forthcoming Annual General Meeting, a first and final dividend of RM0.05 per ordinary share amounting to RM2,004,845 in respect of the current financial year will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for as a liability in the financial year ending 31 January 2024.

CORPORATE STRUCTURE

TECK GUAN PERDANA BERHAD
Registration No. 199401021418 (307097-A)

100%
MAJULAH KOKO TAWAU SDN. BHD.
Registration No. 197301002680 (16173-K)

100%
CACAO PARAMOUNT SDN. BHD.
Registration No. 197901003858 (48106-U)

100%
TAWAU COCOA ESTATE SDN. BHD.
Registration No. 197501002100 (23938-P)

PROFILES OF DIRECTORS AND KEY SENIOR MANAGEMENT

MR. THAM VUI VUN

Chairman and Independent Non-Executive Director

Aged 66 I Male I 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 Bhd 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)

Aged 70 **I** Male **I** Malaysian

Qualification:

Enrolled in 1973 into the renowned Imperial College London and graduated in 1976 with two (2) qualifications: BSc. (Hons) and ACGI. 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 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)

Aged 43 I Female I 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

Aged 54 **I** Male **I** 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

Aged 63 I Male I 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)

Aged 66 **I** Male **I** 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.

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 Company for the financial year ended 31 January 2023.

FINANCIAL PERFORMANCE

For the year ended 31 January 2023, the Group registered a revenue of RM489.66 million, representing a decrease of 2.56% compared to RM502.51 million in the preceding year. The lower revenue was mainly attributed to decrease in sales volume.

The Group registered a profit after tax of RM29.75 million as compared to RM19.73 million in the preceding year mainly due to higher operating margin.

OPERATIONS REVIEW

(a) Oil Palm Products:

During the financial review, 84.38% 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 a decrease of approximately 25.28%. The sales volume for crude palm kernel oil had registered an increase of approximately 2.11% while a decrease of 15.65% for palm kernel expeller as compared with the preceding year.

The operating profit for palm oil products segment increased from RM23.97 million in the preceding year to RM37.74 million in the current year. The increase was primarily attributed to an increase in operating margin.

(b) Cocoa Products:

The operating profit for cocoa products segment decreased from RM1.55 million in the preceding year to RM1.54 million in the current year. The decrease was mainly attributed to decrease in operating margin.

CHAIRMAN'S STATEMENT

DIVIDEND

In the financial year 2023, the Board of Directors has proposed a first and final tax-exempt dividend of 5 sen per ordinary share amounting to RM2,004,845.10 for the financial year ended 31 January 2023.

The Group continues to be financially nimble by maintaining a low debts and a high level of liquidity with cash and cash equivalents of RM54.02 million as at the end of FY2023. 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 Group upholds its commitment to create impacts by operating in a sustainable manner and responsibly benefitting to humanity, focusing on sustainable business management, environmental stewardship and social accountability. The Group will continue to adopt a proactive and prudent approach in continuation of our sustainability agendas of balancing the needs of Economic, Environment and Social aspects. This is key to advocate the sustainable benefits of palm oil as the way forward to meet the needs and demands of a growing world population.

In the FY2023 period, the Group has strengthened our sustainability governance by forming the Risk Management & Sustainability Committee which comprises of the management of the respective divisions and departments. The Group remained committed to sustainable economic performance, ongoing certifications, maintaining ethical practices, prudent water management, adhering to environmental compliance, sustainable employment, high standards of occupational safety and health, and respecting diversity and equal opportunity.

More details on our sustainability initiatives and performance could be found in the Sustainability Statement on page 45 to 53.

PROSPECTS

Amidst the recent fluctuating commodity prices and volatility in foreign exchange coupled with influencing internal and external factors exerted on palm related products, the palm industry expects to see a challenging operating environment in 2023. However, despite the unpredictable policy as imposed by governments around the world and uncertainties posed in both the domestic and global economies, the Management remains optimistic on the long-term prospects of the palm-based business. Notwithstanding the above, the Group will continue to focus on enhancing yield and productivity jointly with cost optimisation to mitigate the negative impact on its profitability and liquidity so as to achieve sustainable growth.

APPRECIATION

On behalf of the Board, I would like to express our thanks to the Directors, management and employees of the Group for their continued diligence and dedication. I also wish to express my gratitude to our valued customers as well as our business associates, suppliers and stakeholders for their support and confidence in us. Lastly, to our valued shareholders, I wish to express my heartful appreciation for placing your confidence in the future of 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;
- Sale 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 2023 at RM489.66 million was 2.56% lower than the last financial year whilst profit before tax at RM40.88 million was higher than the last financial year profit before tax of RM24.83 million mainly attributed by favourable palm oil products segment. During the financial year, palm oil products segment reported a higher operating profit of RM37.74 million from RM23.97 million in the last financial year was mainly attributed by the increase in average selling price. Cocoa products segment reported lower operating profit of RM1.54 million compared to RM1.55 million in the last financial year.

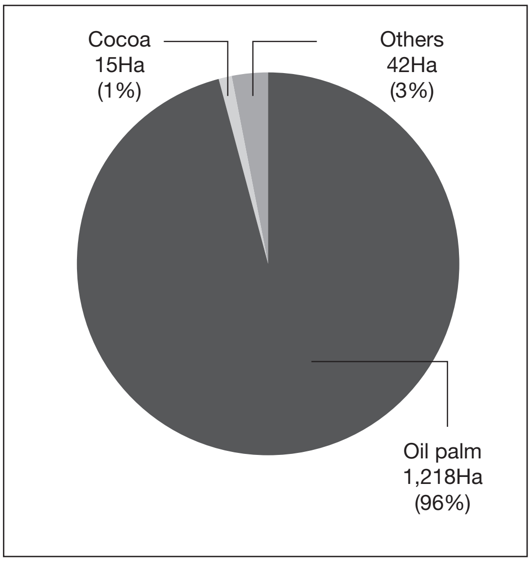
Consequently, Group recorded profit after tax for the financial year ended 31 January 2023 at RM29.75 million was higher than the last financial year's profit after tax of RM19.73 million.

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. Despite the relatively low fresh fruit bunches yield during the financial year, the palm oil products segment is performed satisfactorily, supported by the prevailing high crude palm oil, crude palm kernel oil and palm kernel expeller prices.

Despite the current economic environment, the Management is cautiously optimistic on the long-term prospects of the palm-based industry and will continue to escalate its efforts and aggressively focus on enhancing productivity jointly with operating cost optimisation to mitigate business associated risks so as to achieve long-term sustainability.

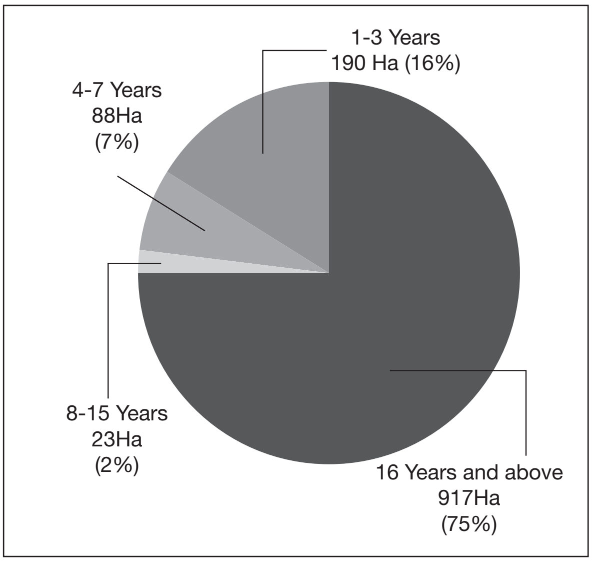
B. Group Business Review – Oil Palm and Cocoa Plantations

CROP MIX



Total Planted Area – 1,275 Ha

OIL PALM HECTARAGE BY AGE



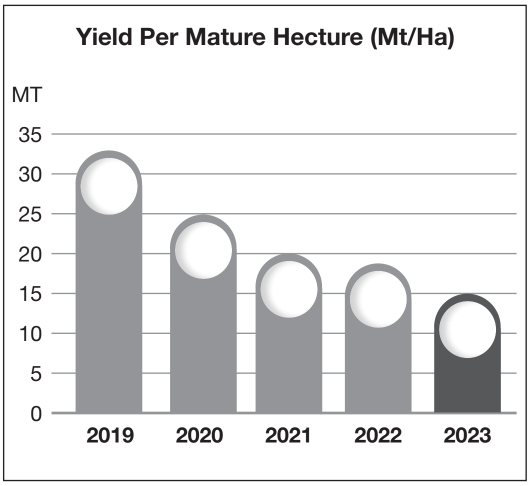
Total Oil Palm Planted Area – 1,218 Ha

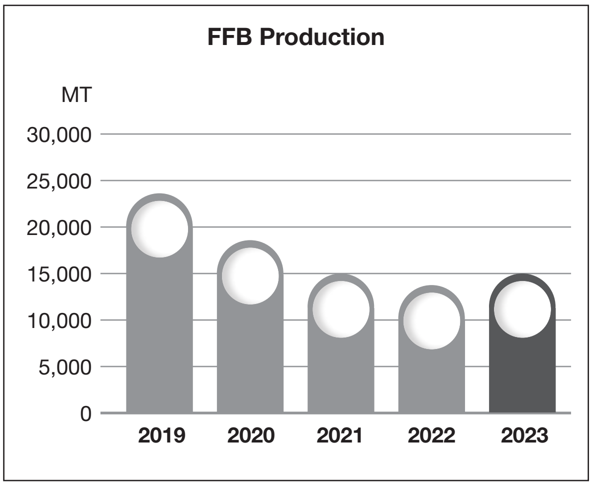
MANAGEMENT DISCUSSION AND ANALYSIS

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	FY2023	FY2022	FY2021	FY2020	FY2019
Oil Palm Area						
Mature	Hectare	1,028	743	743	743	753
Immature	Hectare	190	123	–	–	–
Total	Hectare	1,218	866	743	743	753
Cocoa Area						
Mature	Hectare	15	15	15	15	15
Immature	Hectare	–	–	–	–	–
Total	Hectare	15	15	15	15	15
Other Crops	Hectare	42	42	–	–	–
Total Planted Area	Hectare	**1,275**	**923**	**758**	**758**	**768**
Total Unplanted, Buildings and Infrastructure Areas	Hectare	73	98	263	57	57
Total Area	Hectare	**1,348**	**1,021**	**1,021**	**815**	**825**

Crop Statement

	Unit	FY2023	FY2022	FY2021	FY2020	FY2019
Oil Palm						
FFB production	Tonne	14,908	14,429	14,976	18,564	23,849
Yield per mature hectare	Tonne	14.51	19.42	20.16	24.99	31.68
Average selling price	RM/ Tonne	911	835	494	382	384

MANAGEMENT DISCUSSION AND ANALYSIS

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

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

As at 31 January 2023, the Group's total planted area owned by subsidiary companies stood at 1,275 hectares. Approximately 95.52% 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 1,218 hectares. Approximately 80.45% of the Group's oil palm and cocoa plantation holdings are located at Tawau, Sabah, and the remaining of 19.55% at Lahad Datu, Sabah. The Group's plantation produce is principally processed by palm oil mills owned by the related companies.

For the current year under review, 84.59% of the oil palm and cocoa planted areas have attained maturity. The Group's estates produced a total of 14,908MT of FFB which was about 3.33% higher than the previous year. FFB selling price in current financial year of RM911 per MT is about 9.10% higher than the last financial year.

The Management is cautiously optimistic on the prospects of the plantation industry. Management will continue to focus on the cost efficiency and yield management in 2023.

C. Group Business Review – Resource-Based Manufacturing

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

	Unit	FY2023	FY2022	FY2021	FY2020	FY2019
Production						
Crude Palm Kernel Oil	Tonne	42,937	44,346	42,561	37,342	49,678
Palm Kernel Expeller	Tonne	46,943	49,391	47,025	40,853	53,908
Extraction Rates						
Crude Palm Kernel Oil	%	46.40	46.10	46.70	47.40	47.23
Palm Kernel Expeller	%	50.70	51.60	51.60	51.86	51.25
Average Selling Price (Per Tonne)						
Crude Palm Kernel Oil	RM	7,834	6,622	3,223	2,552	3,742
Palm Kernel Expeller	RM	812	655	564	431	474
Trading of palm oil related products	RM	8,798	5,825	2,761	2,496	2,918

The Group owns one kernel crushing plant located at Tawau, Sabah. It has crushing capacity of 13,000 MT/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 increased to 46.40% as compared last financial year at 46.10%.

The overall financial performance for the operation of kernel crushing plant and trading of palm products in financial year 2023 was challenging due to external environment on palm-based market. The Management is cautiously optimistic on 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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

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

2. Manufacturing and Trading of Cocoa Products

	Unit	FY2023	FY2022	FY2021	FY2020	FY2019
Average Selling Price (Per Tonne)						
Cocoa Products	RM	13,491	12,305	10,500	11,657	9,792
Chocolate Products	RM	12,638	11,920	11,710	12,437	13,649
Sales Volume						
Cocoa Products	Tonne	1,168	947	1,139	733	981
Chocolate Products	Tonne	164	167	127	142	117

Cocoa products' contribution of 3.72% to the revenue for the current year of the Group 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 2023 Attended	Held	Attendance Record
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	5	5	100%
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 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 (CONTINUED)

A1 BOARD DYNAMICS AND STRUCTURE (CONTINUED)

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 (CONTINUED)

A1 BOARD DYNAMICS AND STRUCTURE (CONTINUED)

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 (CONTINUED)

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 (CONTINUED)

A2 CLEAR ROLES AND RESPONSIBILITY OF THE BOARD (CONTINUED)

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 (CONTINUED)

A3 BOARD PROCESS (CONTINUED)

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 Datuk Hong Ngit Ming and Mr. Wong Peng Mun.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

A3 BOARD PROCESS (CONTINUED)

A3.3 Board Evaluation (continued)

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.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

A3 BOARD PROCESS (CONTINUED)

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

- ACCA - Malaysian Private Entities Reporting Standards
- CTIM - Nasional Tax Conference
- MIA – Internal Standard on Quality Management (ISQM)

Datuk Hong Ngit Ming

- Bursa – Price Outlook 2023/2024 (POC2023)

Mr. Fung Hiuk Bing

- LHDN - 2023 Budget Seminar
- CTIM - Tax Compliance, Tax Knowledge, Tax Complexity
- MIA Webinar Series: ISQM Implementation part 2- Formulating the Firm's ISQM Manual-Policies and Procedures
- MIA Webinar Series: ISQM Implementation part 3- Forms and other Documentation
- CTIM – Tax Treatment on Interest Income, Interest Expenses and Rental Income: Latest Developments
- CTIM – Employer's Reporting and Compliance Responsibilities
- CTIM – Reinvestment Allowance & Automation Capital Allowance
- CTIM – Update on Transfer Pricing Documentation Requirements

Mr. Wong Peng Mun

- SSM – Preference shares, steps to issue, redeem and covert
- SSM – Companies Act 2016, Directors statutory disclosures
- SSM – Key provision and compliance requirements under Companies Act 2016

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

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.

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	–	246,432	–	30,235	276,667
Ms. Hong Kun Yee	–	81,000	–	10,813	91,813
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	**327,432**	**–**	**41,048**	**422,480**

* *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*

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT (CONTINUED)

B1 AUDIT & RISK MANAGEMENT COMMITTEE (CONTINUED)

B1.1 Integrity in Financial Reporting (continued)

External Auditors (continued)

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

Amount in RM	Company	Group
Audit Fees	60,000	116,000

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.

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 through the ARMC reviews the key risks identified on a regular basis to ensure proper management of risks and measure taken to mitigate any weakness in the control environment. The ARMC reviews the risk assessment report from the Risk & Sustainability Department and submit recommendations to the Board for action to ensure adequacy and effectiveness of the system of risk management and internal control.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

C2 GENERAL MEETINGS OF THE COMPANY (CONTINUED)

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 2023” 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 Attended	Number of Meetings Held	Attendance Record
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 Attended	Number of Meetings Held	Attendance Record
Mr. Fung Hiuk Bing (MIA 11342*)	Chairman	4	5	80%
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, Crowe Malaysia 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 (CONTINUED)

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

3. Oversight of Internal Audit Function (continued)

The ARMC has also carried out an annual assessment of the internal audit function, obtained the confirmation of the in-house internal auditor's organisational independence, the independence and objectivity of the internal audit team and conformance with recognised 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.

The ARMC has also reviewed 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. However, it should be acknowledged that the risk management and internal control systems in the Framework 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.

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 2023 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.

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.

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 31 January 2023. 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 affirms its overall responsibility for the establishment of the Group's system of internal control and risk management practices and the review of its adequacy and integrity. The system of risk management and internal control will serve as a framework for identifying, evaluating and managing business risks faced by the Group and will assist the Group to achieve its corporate objectives. Because of the limitations that are inherent in any system of risk management and internal control, the Board recognises that the Group's system of risk management and internal control is a concerted and continuing process, designed to manage rather than eliminate the risk of failure to achieve business objectives. However, this system only provides a reasonable but not absolute assurance against material errors, fraud or loss.

RISK MANAGEMENT FRAMEWORK

The Group recognises 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 which is managed by our 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 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 organisation 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 35 to the Financial Statements of this Annual Report.

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 (CONTINUED)

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

- 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

As required by paragraph 15.23 of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad, the external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in 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 (MIA) for inclusion in the annual report of the Group for the year ended 31 January 2023, and reported to the Board that nothing has come to their attention that causes 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 and Internal Control: Guidelines for Directors of Listed Issuers, or is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether this Statement covers all risk and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control systems including the assessment and opinion by the Directors and management thereon. This report from the external auditor was made solely for, and directed solely to the Board in connection with their compliance with the listing requirements of Bursa Malaysia Securities Berhad and for no other purposes or parties. The external auditors do not assume responsibility to any person other than the board of directors in respect of any aspect of this report.

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 2023 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. RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE NATURE

At the last Annual General Meeting of the Company held on 28 June 2022, 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 32 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.

3. 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 2023.

SUSTAINABILITY GOVERNANCE

Board of Directors	Oversee sustainability strategies, direction, performance and other sustainability-related matters
Managing Director	Determine and approve sustainability initiatives with the assistance from Risk & Sustainability Department
Risk & Sustainability Department	Monitor sustainability initiatives and performance, and prepares Sustainability Report
Business Units & Employees	Implementation of sustainability initiatives based on the material sustainability matters identified

SUSTAINABILITY STATEMENT

SUSTAINABILITY STRATEGY, PRIORITIES, TARGETS AND STATUS REVIEW

For the financial year ended 31 January 2023, 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.

STRATEGY

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

PRIORITIES

- SDG 3: Good Health and Well-being
- SDG 6: Clean Water and Sanitation
- SDG 8: Decent Work and Economic Growth
- 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 17: Partnerships for the Goals

Aspect	Target	Status FY2023	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 (CONTINUED)

Aspect	Target	Status FY2023	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

Constant and significant engagement with the Group's key stakeholders is essential to build mutual respect and understanding of the ongoing tasks needed to realize their expectations and to accomplish the Group's sustainability goals.

The Group engages its stakeholders through multiple channels involved in our business activities. The Group key stakeholders have been identified through numerous activities in the palm oil industry. They include shareholders, employees, customers, suppliers, and government authorities. Outlined below is a summary of the Group's engagement with these stakeholders that enables the Group to understand and better manage potential issues and risks in the Group's business.

Stakeholders	Engagement Method	Areas of Interest	Outcome
Shareholders & Investors	• AGM • Annual reports • Quarterly updates • Company website	• Financial returns • Future development plans	• Better Group's strategy for profit maximization
Employees	• Meetings • Daily muster • Notices • Visits • Annual appraisal • Multichannel engagements	• Job satisfaction • Salary & wages • Working conditions, facilities, safety, and trainings • Career development • Benefits	• Employee retention • Happier & safer working environment • Better understanding of company policies & procedures

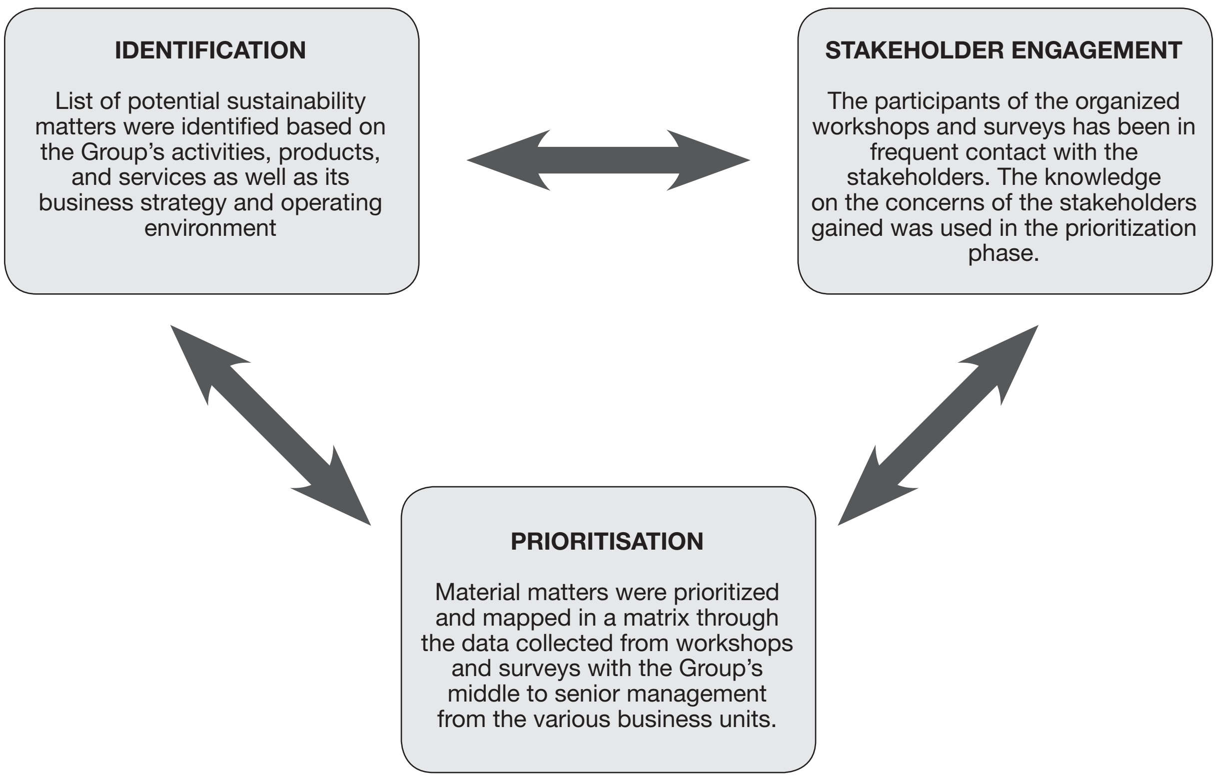
SUSTAINABILITY STATEMENT

STAKEHOLDERS ENGAGEMENT (CONTINUED)

Stakeholders	Engagement Method	Areas of Interest	Outcome
Customers	• Meetings • Phone calls • Company website • Annual reports	• Product quality • Timely delivery/ shipment	• Positive reputation • High customer satisfaction
Suppliers	• Meetings • Phone calls • Visits	• Timely payment • Long-term relationship	• Positive reputation • Better relationship and communication
Government Authorities	• Formal & informal meetings • On-site inspection	• Transparency • Support for government policies and initiatives in the palm oil industry • Compliance to legal requirements	• Compliance to the government's MSPO initiative • Compliance to various regulations

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:

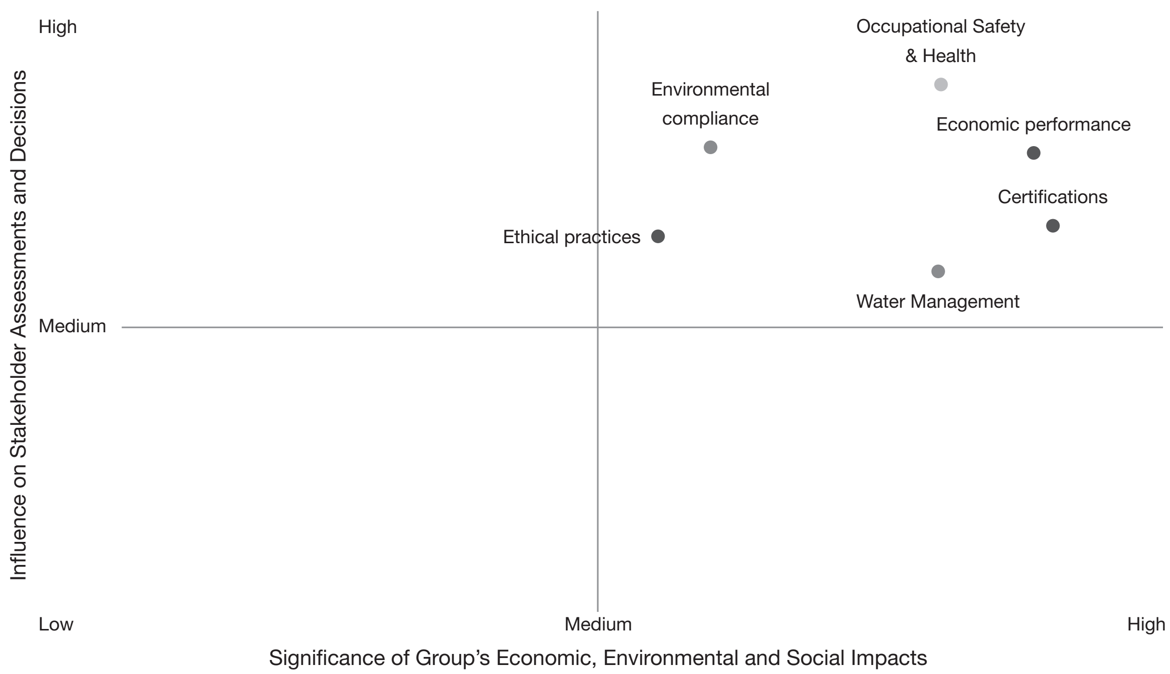


SUSTAINABILITY STATEMENT

MATERIAL SUSTAINABLE MATTERS (CONTINUED)

The major topics raised were then plotted on a materiality matrix, where issues with the highest significance to both the internal and external stakeholders were selected:

MATERIALITY MATRIX FY 2023



Aspects	Material Matters for FY2023
Economic Sustainability	- Economic performance - Certifications - Ethical practices
Environmental Sustainability	- Water management - Environmental compliance
Social Sustainability	- Occupational safety & health

SUSTAINABILITY STATEMENT

MATERIAL SUSTAINABLE MATTERS (CONTINUED)

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 local communities.

The Group created a direct economic value of RM48.7 million and distributed a total economic value of RM455.5 million in the areas of operating cost, employees' wages and benefits, interests and taxes. The following table provides the breakdown of this summary:

	FY 2023 (RM Million)	FY 2022 (RM Million)
Direct Economic Value Generated		
Revenue	489.7	502.5
Economic Value Distributed		
Our Suppliers: Operating Costs	437.5	469.0
Our Employees: Wages & Benefits	7.2	6.4
Our Lenders: Payments to Lenders	2.7	2.3
The Government: Payments to Government	8.1	5.3
Total	455.5	483.0

SUSTAINABILITY STATEMENT

MATERIAL SUSTAINABLE MATTERS (CONTINUED)

Economic Sustainability: Managing Sustainable Business (continued)

Certification

The Group is committed to sustainable production and manufacturing practices through relevant certifications. Outlined below are the obtained and planned certifications to date for each business units:

Business Units	Certification Obtained	Certification Planned
Agriculture	• Malaysian Sustainable Palm Oil ("MSPO") – all estates (Since 2019)	• Roundtable Sustainable Palm Oil ("RSPO") – 100% certified expected by 2025
Industry	• Makanan Selamat Tanggungjawab Industri ("MeSTI") • Halal Certification • Kosher Certification • MSPO: Supply Chain Certification ("MSPO-SCCS") – Kernel Crushing Plant • U.S. Food and Drug Administration ("U.S. FDA") – Chocolate Factory	n/a
Export & Marketing	• MSPO: Supply Chain Certification Standard ("MSPO SCCS") • 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.

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.

SUSTAINABILITY STATEMENT

MATERIAL SUSTAINABLE MATTERS (CONTINUED)

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

Environmental impact is one of the Group's key focus areas and 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;

Compliance is achieved through the following initiatives:

- 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 FY2023 period, no reported material deviations were causing the risk of environmental effects.

SUSTAINABILITY STATEMENT

MATERIAL SUSTAINABLE MATTERS (CONTINUED)

Social Sustainability: Social Accountability

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 FY2023 period, there were no fatalities reported.

ANALYSIS OF SHAREHOLDINGS

AS AT 28 APRIL 2023

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	6	0.51	153	0.00
100 – 1,000	187	15.85	134,267	0.34
1,001 – 10,000	776	65.76	3,061,200	7.63
10,001 – 100,000	187	15.85	5,454,600	13.60
100,001 – 2,004,844 (less than 5% of issued shares)	23	1.95	7,469,700	18.63
≥ 2,004,845 (5% and above of issued shares)	1	0.08	23,976,982	59.80
TOTAL	**1,180**	**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 Ngit 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 2023

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

	10% Cumulative Preference Shares			
	Direct Interest		Indirect Interest	
Name of Directors	No. of Shares	%	No. of Shares	%
Datuk Hong Ngit 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	780,300	1.95
4.	Tan Jin Tuan	684,000	1.71
5.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Beh Ah Choo	423,900	1.06
6.	Maybank Securities Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Ching Ching	401,800	1.00
7.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Kim Gim Leong	357,300	0.89
8.	Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ting Tie Hau	275,000	0.69
9.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Muhd Adam Low Bin Abdullah	267,000	0.67
10.	HLB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chee Sai Mun	265,000	0.66
11.	Wong Kum Cheong	225,200	0.56
12.	Muhamad Aloysius Heng	214,900	0.54
13.	Starview Restoran Sdn. Bhd.	180,000	0.45
14.	Chong Chiew Tshung	168,000	0.42
15.	HLIB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chor King Chun	146,000	0.36

ANALYSIS OF SHAREHOLDINGS

AS AT 28 APRIL 2023

LIST OF TOP 30 SECURITIES ACCOUNT HOLDERS (CONTINUED)

No.	Name	No. of Shares	%
16.	Chong Thin Tuck	137,000	0.34
17.	Alliance Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Oii Hock Lai	135,600	0.34
18.	Alliangroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Soon Mui Yen @ Soon Nyuk Hen	130,000	0.32
19.	Lee Chee Beng	126,300	0.31
20.	UOBM Nominees (Asing) Sdn. Bhd. Providentia Wealth Management LTD. For the Sipadan Trust	120,000	0.30
21.	Tan Kim Huat @ Sons Motor Sdn. Bhd.	110,000	0.27
22.	Te Kim Leng	110,000	0.27
23.	Adikin Wong Shyh Chyi	108,000	0.27
24.	Ng Chee Peng	103,200	0.26
25.	Hassan Bin Md Ali	100,000	0.25
26.	Ong Yean Har	100,000	0.25
27.	RHB Nominees (Tempatan) Sdn. Bhd.	100,000	0.25
28.	Tan Kim Huat & Sons Holdings Sdn. Bhd.	100,000	0.25
29.	Lee Kok Hin	94,000	0.23
30.	Kooi Soo La	87,000	0.22
	Total	**32,027,682**	**79.88**

LIST OF PROPERTIES

AS AT 31 JANUARY 2023

Item No.	Location	Tenure (Date of Expiry)	Land Area/ Build up Area sq.m	Existing use/ Description	Net Book Value As At 31-Jan-23	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	967,832	45	879	1/10/1977
2	CL 105312703 Quion Hill, Apas Road, Tawau, Sabah.	Leasehold (28.02.2057)	4,028,645	Oil palm	3,293,803	28	34	19/10/1978
3	CL 105339099 Brantian, Merotai Road, Tawau, Sabah.	Leasehold (31.12.2073)	400,234	Oil palm estate	10,862	–	50	11/6/1979
4	CL 105334996 Brantian, Merotai Road, Tawau, Sabah.	Leasehold (31.12.2072)	1,211,629	Oil palm	173,338	16	49	12/6/1979
5	CL 245316849 (105316848/old) Tingkayu, Lahad Datu/Tawau, Sabah.	Leasehold (31.12.2071)	1,216,485	Oil palm	574,742	9	48	28/7/1979
6	CL 105436299 Quion Hill, Apas Road, Tawau, Sabah.	Leasehold (31.12.2079)	16,147	Oil palm	12,540	–	56	13/9/1980
7	CL 105347493 Quion Hill, Apas Road, Tawau, Sabah.	Leasehold (31.12.2069)	81,261	Oil palm estate and Cocoa	46,795	–	46	20/1/1981
8	CL 105354050 Balung, Apas Road, Tawau, Sabah.	Leasehold (31.12.2073)	653,567	Oil palm	14,816	18	50	13/8/1984

LIST OF PROPERTIES

AS AT 31 JANUARY 2023

Item No.	Location	Tenure (Date of Expiry)	Land Area/ Build up Area sq.m	Existing use/ Description	Net Book Value As At 31-Jan-23	Age of Building	Tenure of Leasehold Land	Date of Acquisition
9	CL 105439138 Quion Hill, Apas road Tawau, Sabah	Leasehold (31.12.2083)	13,553	Oil palm estate	6,690	–	60	13/8/1980
10	CL 105339071 Mile 2 ½, Tanjung Batu Laut, Tawau, Sabah.	Leasehold (08.10.2902)	33,710	Cocoa processing factory and office	5,530,650	28	879	17/12/1981
11	CL 105368607 Sebatik Island, Tawau, Sabah.	Leasehold (31.12.2078)	513,951	Cocoa/ Oil palm estate	584,325	–	55	20/1/2000
12	CL 245361862 Tingkayu, Lahad Datu, Tawau, Sabah.	Leasehold (31.12.2087)	13,395	Oil palm estate	1,646	–	64	1/1/2007
13	CL 105311260 Merotai, Tawau, Sabah.	Leasehold (31.12.2067)	2,066,325	Fruits and oil palm estate	12,800,717	–	44	1/1/2021
14	CL 115349936 (TCE 306)	Leasehold (31.12.2077)	1,238,338	Oil palm estate	9,702,204	–	54	4/1/2022
15	CL 075323661 (TCE 500)	Leasehold (31.12.2070)	2,025,452	Oil palm estate	15,296,901	–	47	7/6/2022

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 2023.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and the provision of administrative services. The principal activities of the subsidiaries are set out in Note 6 to the financial statements.

RESULTS

	The Group RM	The Company RM
Profit after taxation for the financial year	29,754,566	244,497
Attributable to:-		
Owners of the Company	29,754,566	244,497

DIVIDENDS

Dividends paid or declared by the Company since 31 January 2022 are as follows:-

	RM
In respect of the financial year 31 January 2022	
A first and final single-tier dividend of RM0.03 per ordinary share, approved by the shareholders at the Annual General Meeting held on 28 June 2022, paid on 11 August 2022	1,202,907

At the forthcoming Annual General Meeting, a first and final dividend of RM0.05 per ordinary share amounting to RM2,004,845 in respect of the current financial year will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for as a liability in the financial year ending 31 January 2024.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

(a) there were no changes in the issued and paid-up share capital of the Company; and

(b) there were no issues of debentures by the Company.

DIRECTORS' REPORT

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that there are no known bad debts and that no allowance for impairment losses on receivables is required.

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts, or the allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their values as shown in the accounting records of the Group and of the Company, have 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 which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

(a) 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

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve 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 when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of Company which would render any amount stated in the financial statements misleading.

DIRECTORS' REPORT

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

DATUK HONG NGIT MING
HONG KUN YEE
THAM VUI VUN
WONG PENG MUN
FUNG HIUK BING

The names of directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, are as follows:-

OZIE HONG
CHIN FUI LAN

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares, option over unissued shares or debentures of the Company and its related corporation during the financial year are as follows:-

		Number of ordinary shares		
The Company	**1.2.2022**	**Bought**	**Sold**	**31.1.2023**
Indirect Interest				
Datuk Hong Ngit Ming	25,978,182	–	–	25,978,182

		Number of 10 % cumulative preference shares		
Holding Company - HTG Holdings Sdn. Bhd.	**1.2.2022**	**Bought**	**Sold**	**31.1.2023**
Direct Interest				
Datuk Hong Ngit Ming	100,000	–	–	100,000

By virtue of his shareholdings in the Company, Datuk Hong Ngit Ming 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.

The other directors holding office at the end of the financial year had no interest in shares, options over unissued shares or debentures of the Company or its related corporations during the financial year.

DIRECTORS' REPORT

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" of this report) 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 for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 32 to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangement whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are as follows:-

	The Group RM	**The Company RM**
Fees	54,000	54,000
Salaries, bonuses and other benefits	328,453	328,453
Defined contribution benefits	40,027	40,027
	422,480	422,480

INDEMNITY AND INSURANCE COST

During the financial year, there is no indemnity given to or professional indemnity insurance effected for directors, officers or auditors of the Company.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 6 to the financial statements.

HOLDING COMPANY

The holding company is HTG Holdings Sdn. Bhd., a private limited liability company incorporated in Malaysia.

DIRECTORS' REPORT

AUDITORS

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The details of the auditors' remuneration for the financial year are as follows:-

	The Group RM	The Company RM
Audit fees	116,000	60,000

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS DATED 22 MAY 2023.

Datuk Hong Ngit Ming

Tham Vui Vun

STATEMENT BY DIRECTORS

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

We, **Datuk Hong Ngit Ming** and **Tham Vui Vun**, being two of the directors of **Teck Guan Perdana Berhad**, state that, in the opinion of the directors, the financial statements set out on pages 70 to 142 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 of 31 January 2023 and of their financial performance and cash flows for the financial year ended on that date.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS DATED 22 MAY 2023.

Datuk Hong Ngit Ming **Tham Vui Vun**

STATUTORY DECLARATION

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

I, **Chong Nyet Wui, MIA Membership Number: 4936**, being the officer primarily responsible for the financial management of **Teck Guan Perdana Berhad**, do solemnly and sincerely declare that the financial statements set out on pages 70 to 142 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Chong Nyet Wui, NRIC Number: 571119-12-5097
at Tawau
in the State of Sabah
on this 22 May 2023.

Chong Nyet Wui

Before me,

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 2023 of the Group and of the Company, and the statement 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 financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 70 to 142.

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 2023, and of their financial performance and their cash flows for the financial 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 financial 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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TECK GUAN PERDANA BERHAD (INCORPORATED IN MALAYSIA)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key Audit Matters (continued)

Key Audit Matters Revenue Recognition (Refer to Notes 5.19 and 25 to the financial statements)	**How our audit addressed the key audit matter**
Consolidated revenue recorded by the Group during the year amounted to approximately RM489.66 million. We consider revenue recognition for sale of goods to be a potential cause for higher risk of material misstatement from the perspective of timing of recognition and the amount of revenue recognised. Accordingly, we regard revenue recognition to be a Key Audit Matter.	Our procedures included, amongst others: • testing the operating effectiveness of internal control over the completeness, accuracy, and timing of revenue recognised in the financial statements; • reviewing the terms of customer agreements to determine the point of control transfer to the customers on sampling basis; • testing the recording of sales transactions, revenue cut-off and review of credit notes after year end; and • obtaining confirmations from trade receivables as at the financial year end on sampling basis and reviewing collections relating to material trade receivables during and after the financial year end.

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 Directors for the Financial Statements

The directors of the Company are responsible for the preparation of the 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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TECK GUAN PERDANA BERHAD (INCORPORATED IN MALAYSIA)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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:-

- 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.

- 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.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- 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.

- 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.

- 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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TECK GUAN PERDANA BERHAD (INCORPORATED IN MALAYSIA)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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 financial 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 MATTERS

a) The financial statements of the Group and of the Company for the preceding financial year were audited by another firm of chartered accountants whose report dated 20 May 2022 expressed an unqualified opinion on those financial statements.

b) 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.

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Wong Tak Mun
01793/09/2024 J
Chartered Accountant

Melaka
22 May 2023

STATEMENTS OF FINANCIAL POSITION

AS AT 31 JANUARY 2023

		The Group		The Company	
	Note	2023 RM	2022 RM (Restated)	2023 RM	2022 RM (Restated)
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	6	–	–	54,089,430	54,089,430
Property, plant and equipment	7	19,591,216	14,967,773	6	6
Right-of-use assets	8	52,549,030	34,515,285	–	–
Deferred tax assets	9	–	1,306,835	–	–
		72,140,246	50,789,893	54,089,436	54,089,436
CURRENT ASSETS					
Biological assets	10	450,727	457,753	–	–
Inventories	11	32,647,109	47,431,556	–	–
Trade receivables	12	11,649,226	77,191,033	–	–
Other receivables, deposits and prepayments	13	1,516,567	2,969,874	19,383	20,227
Amount owing by subsidiaries	14	–	–	16,700,857	13,801,006
Current tax assets		110,077	–	80,976	–
Short-term deposits with licensed banks	15	48,687,542	24,070,348	1,550,000	–
Cash and bank balances		6,379,417	16,093,456	33,772	129,856
Derivative assets	16	–	10,237	–	–
		101,440,665	168,224,257	18,384,988	13,951,089
TOTAL ASSETS		173,580,911	219,014,150	72,474,424	68,040,525

STATEMENTS OF FINANCIAL POSITION

AS AT 31 JANUARY 2023

	Note	The Group 2023 RM	The Group 2022 RM (Restated)	The Company 2023 RM	The Company 2022 RM (Restated)
EQUITY AND LIABILITIES					
EQUITY					
Share capital	17	40,103,902	40,103,902	40,103,902	40,103,902
Retained profits		67,031,032	38,479,373	22,189,513	23,147,923
TOTAL EQUITY		107,134,934	78,583,275	62,293,415	63,251,825
NON-CURRENT LIABILITIES					
Deferred tax liabilities	9	3,239,524	3,858,924	–	–
Loan-term borrowings	18	7,639,996	9,390,833	–	–
Lease liabilities	20	9,596,737	11,243,108	–	–
		20,476,257	24,492,865	–	–
CURRENT LIABILITIES					
Short-term borrowings	21	8,098,779	60,220,532	–	–
Lease liabilities	20	1,646,371	1,565,616	–	–
Trade payables	22	20,072,390	48,545,108	–	–
Other payables and accruals	23	3,172,323	5,472,300	182,863	80,584
Amount owing to holding company	24	9,998,146	–	9,998,146	–
Amount owing to subsidiaries	14	–	–	–	4,626,990
Derivative liabilities	16	5,799	–	–	–
Current tax liabilities		2,975,912	134,454	–	81,126
		45,969,720	115,938,010	10,181,009	4,788,700
TOTAL LIABILITIES		66,445,977	140,430,875	10,181,009	4,788,700
TOTAL EQUITY AND LIABILITIES		173,580,911	219,014,150	72,474,424	68,040,525

The annexed notes form an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

		The Group		The Company	
	Note	2023 RM	2022 RM (Restated)	2023 RM	2022 RM
REVENUE	25	489,664,977	502,508,960	840,000	13,638,000
COST OF SALES		(418,183,028)	(453,623,544)	(1,047,448)	(1,054,117)
GROSS PROFIT/(LOSS)		71,481,949	48,885,416	(207,448)	12,583,883
OTHER INCOME		1,389,400	2,737,329	1,954,752	3,664,252
		72,871,349	51,622,745	1,747,304	16,248,135
ADMINISTRATIVE EXPENSES		(10,000,228)	(5,452,466)	(193,263)	(162,992)
SELLING AND DISTRIBUTION EXPENSES		(19,318,427)	(15,331,504)	–	–
OTHER EXPENSES		–	(3,708,116)	–	–
FINANCE COSTS		(2,674,447)	(2,299,977)	(1,054,171)	(518,753)
PROFIT BEFORE TAXATION	26	40,878,247	24,830,682	499,870	15,566,390
INCOME TAX EXPENSE	27	(11,123,681)	(5,100,021)	(255,373)	(291,126)
PROFIT AFTER TAXATION		29,754,566	19,730,661	244,497	15,275,264
OTHER COMPREHENSIVE INCOME		–	–	–	–
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		29,754,566	19,730,661	244,497	15,275,264
PROFIT AFTER TAXATION ATTRIBUTABLE TO: Owner of the Company		29,754,566	19,730,661	244,497	15,275,264
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO: Owner of the Company		29,754,566	19,730,661	244,497	15,275,264
EARNINGS PER SHARE (SEN) Basic	28	74.21	49.21		

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

	Note	Share Capital RM	Distributable Retained Profits RM	Total Equity RM
The Group				
Balance at 1.2.2021		40,103,902	18,748,712	58,852,614
Profit after taxation/Total comprehensive income for the financial year		–	19,730,661	19,730,661
Balance at 31.1.2022/1.2.2022		40,103,902	38,479,373	78,583,275
Profit after taxation/Total comprehensive income for the financial year		–	29,754,566	29,754,566
Dividend	29	–	(1,202,907)	(1,202,907)
Balance at 31.1.2023		40,103,902	67,031,032	107,134,934
The Company				
Balance at 1.2.2021		40,103,902	7,872,659	47,976,561
Profit after taxation/Total comprehensive income for the financial year		–	15,275,264	15,275,264
Balance at 31.1.2022/1.2.2022		40,103,902	23,147,923	63,251,825
Profit after taxation/Total comprehensive income for the financial year		–	244,497	244,497
Dividend	29	–	(1,202,907)	(1,202,907)
Balance at 31.1.2023		40,103,902	22,189,513	62,293,415

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

	Note	The Group 2023 RM	The Group 2022 RM (Restated)	The Company 2023 RM	The Company 2022 RM (Restated)
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES					
Profit before taxation		40,878,247	24,830,682	499,870	15,566,390
Adjustments for:-					
Gain on disposal of property, plant and equipment		(2,500)	(1,508)	–	–
Depreciation of property, plant and equipment		1,932,864	1,471,278	–	–
Depreciation of right-of-use assets		2,415,196	2,278,627	–	–
Interest expenses		2,674,447	2,299,977	1,054,171	518,753
Inventories written down		–	70,788	–	–
Inventories written off		–	18,973	–	–
Prepayment written off		–	1,917,480	–	–
Property, plant and equipment written off		1,117	834	–	–
Net change in fair value on forward currency contracts		16,036	(1,760)	–	–
Net gain on fair value of commodity future contracts		–	(874,900)	–	–
Unrealised loss/(gain) on foreign exchange		41,105	(794,334)	–	–
Net fair value loss/(gain) on biological assets		7,026	(163,294)	–	–
Reversal of impairment losses on investment in subsidiary		–	–	–	(2,946,000)
Interest income		(864,200)	(295,165)	(1,954,752)	(718,252)
Operating profit/(loss) before working capital changes		47,099,338	30,757,678	(400,711)	12,420,891

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

	Note	The Group 2023 RM	The Group 2022 RM (Restated)	The Company 2023 RM	The Company 2022 RM (Restated)
Operating profit/(loss) before working capital changes		47,099,338	30,757,678	(400,711)	12,420,891
Decrease/(Increase) in inventories		14,784,447	(21,432,558)	–	–
Decrease/(Increase) in receivables		66,952,182	(74,456,436)	844	(844)
(Decrease)/Increase in payables		(31,245,502)	41,064,142	106,978	(76,880)
CASH FROM/(FOR) OPERATIONS		97,590,465	(24,067,174)	(292,889)	12,343,167
Income tax paid		(8,116,081)	(5,337,860)	(417,475)	(402,472)
Income tax refunded		411,216	196,238	–	–
NET CASH FROM/(FOR) OPERATING ACTIVITIES		89,885,600	(29,208,796)	(710,364)	11,940,695
CASH FLOWS FOR INVESTING ACTIVITIES					
Interest received		864,200	295,165	1,954,752	718,252
Purchase of property, plant and equipment	30(a)	(6,561,924)	(415,683)	–	–
Addition to right-of-use assets	30(a)	(20,448,941)	(1,755,695)	–	–
Proceeds from disposal of property, plant and equipment		7,000	1,510	–	–
Net advances to subsidiaries		–	–	(2,899,851)	(6,165,123)
Net repayment from related companies		2,734	295,339	–	–
NET CASH FOR INVESTING ACTIVITIES		(26,136,931)	(1,579,364)	(945,099)	(5,446,871)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

	Note	The Group 2023 RM	The Group 2022 RM (Restated)	The Company 2023 RM	The Company 2022 RM (Restated)
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES					
Interest paid	30(b)	(2,674,447)	(2,299,977)	(1,054,171)	(518,753)
Dividend paid	29	(1,202,907)	–	(1,202,907)	–
Drawdown of onshore foreign currency loan	30(b)	–	73,131,777	–	–
Repayment of onshore foreign currency loan	30(b)	–	(79,382,405)	–	–
Proceeds from bankers' acceptance	30(b)	–	212,723,000	–	–
Repayment of bankers' acceptance	30(b)	(54,038,000)	(184,560,000)	–	–
Repayment of lease liabilities	30(b)	(1,565,616)	(1,488,821)	–	–
Net advances from holding company	30(b)	9,998,146	–	9,998,146	–
Net advances from/(repayment to) related companies	30(b)	474,141	(128,540)	(4,699)	(92)
Net repayment to subsidiaries	30(b)	–	–	(4,626,990)	(6,004,426)
NET CASH (FOR)/FROM FINANCING ACTIVITIES		(49,008,683)	17,995,034	3,109,379	(6,523,271)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		14,739,986	(12,793,126)	1,453,916	(29,447)
Effect of foreign exchange translation		(2,241)	515,468	–	–
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		39,280,439	51,558,097	129,856	159,303
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	30(d)	54,018,184	39,280,439	1,583,772	129,856

The annexed notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office and principal place of business are as follows:-

Registered office	:	No. 318, Teck Guan Regency, Jalan St. Patrick, Off Jalan Belunu, 91000 Tawau, Sabah.
Principal place of business	:	No. 318, Teck Guan Regency, Jalan St. Patrick, Off Jalan Belunu, 91000 Tawau, Sabah.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated

2. HOLDING COMPANY

The holding company is HTG Holdings Sdn. Bhd., a private limited liability company incorporated in Malaysia.

3. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and the provision of administrative services. The principal activities of the subsidiaries are set out in Note 6 to the financial statements.

4. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

4.1 During the current financial year, the Group has adopted the following new accounting standards and interpretations (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

Amendments to MFRS 3: Reference to the Conceptual Framework
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract
Annual Improvements to MFRS Standards 2018 – 2020

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

4. BASIS OF PREPARATION (CONTINUED)

4.2 The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	**Effective Date**
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
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: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
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 adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

5. SIGNIFICANT ACCOUNTING POLICIES

5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made 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 other than as disclosed below:-

(a) Depreciation of Property, Plant and Equipment and Right-of-use Assets

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment and right-of-use assets 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 anticipates that the residual values of its property, plant and equipment and right-of-use assets will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. 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. The carrying amount of property, plant and equipment and right-of-use assets as at the reporting date is disclosed in Notes 7 and 8 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Key Sources of Estimation Uncertainty (continued)

Management believes that there are no key assumptions made 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 other than as disclosed below:- (continued)

(b) Impairment of Property, Plant and Equipment and Right-of-use Assets

The Group determines whether an item of its property, plant and equipment and right-of-use assets is impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumption used and judgements made regarding estimates of future cash flows and discounted rates. The carrying amount of property, plant and equipment and right-of-use assets as at the reporting date is disclosed in Notes 7 and 8 to the financial statements.

(c) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises 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 expense and deferred tax balances in the period in which such determination is made.

(d) 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 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the Group's accounting policies which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

Lease Terms

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

5.2 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(a) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5.2 BASIS OF CONSOLIDATION (CONTINUED)

(b) Non-controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(c) Changes in Ownership Interests in Subsidiaries Without Change of Control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in the equity of the Group.

(d) Loss of Control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and

(ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits).The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value of the initial recognition for subsequent accounting under MFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

5.3 FUNCTIONAL AND FOREIGN CURRENCIES

(a) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

(b) Foreign Currency Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the exchange rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5.4 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value (other than trade receivables without significant financing component which are measured at transaction price as defined in MFRS 15 at inception). Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(a) Financial Assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value (through profit or loss, or other comprehensive income), depending on the classification of the financial assets.

Debt Instruments

(i) Amortised Cost

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), excluding expected credit losses, through the expected life of the financial asset or a shorter period (where appropriate).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5.4 FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial Assets (continued)

Debt Instruments (continued)

(ii) Fair Value through Other Comprehensive Income

The financial asset is held for both collecting contractual cash flows and selling the financial asset, where the asset's cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest rate method.

(iii) Fair Value through Profit or Loss

All other financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. The fair value changes do not include interest or dividend income.

The Group reclassifies debt instruments when and only when its business model for managing those assets change.

Equity Instruments

All equity investments are subsequently measured at fair value with gains and losses recognised in profit or loss except where the Group has elected to present the subsequent changes in fair value in other comprehensive income and accumulated in the fair value reserve at initial recognition.

The designation at fair value through other comprehensive income is not permitted if the equity investment is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established unless the dividends clearly represent a recovery of part of the cost of the equity investments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5.4 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial Liabilities

(i) Financial Liabilities at Fair Value through Profit or Loss

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value (excluding interest expense) of these financial liabilities are recognised in profit or loss.

(ii) Other Financial Liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), through the expected life of the financial liability or a shorter period (where appropriate).

(c) Equity Instruments

Equity instruments classified as equity are measured initially at cost and are not remeasured subsequently.

Ordinary Shares

Ordinary shares are classified as equity and recorded at the proceeds received, net of directly attributable transaction costs.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(d) Derivative Financial Instruments

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in fair value on derivatives during the reporting period, other than those accounted for under hedge accounting, are recognised directly in profit or loss.

Any derivative embedded in a financial asset is not accounted for separately. Instead, the entire hybrid contract is classified and subsequently measured as either amortised cost or fair value as appropriate.

An embedded derivative is recognised separately from the host contract which is a financial liability as a derivative if, and only if, its risks and characteristics are not closely related to those of the host contract and the host contract is not measured at fair value through profit or loss.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5.4 FINANCIAL INSTRUMENTS (CONTINUED)

(e) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(f) Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Company, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the amount of the credit loss determined in accordance with the expected credit loss model and the amount initially recognised less cumulative amortisation.

5.5 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments includes transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5.6 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that are directly attributable to the acquisition of the asset and other costs directly attributable to bringing the asset to working condition for its intended use.

Subsequent to initial recognition, all property, plant and equipment, are stated at cost less accumulated depreciation and any 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. The bearer plants are amortised over 25 years.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation on property, plant and equipment is charged to profit or loss (unless it is included in the carrying amount of another asset) on a straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Buildings	10 – 50 years
Tractors and motor vehicles	5 years
Plant and machinery	10 – 20 years
Office equipment, furniture and fixtures	5 – 10 years

Capital work-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment. Any changes are accounted for as a change in estimate.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5.7 BIOLOGICAL ASSETS

Biological assets comprise produce growing on bearer plants. 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.

Biological assets are measured at fair value less cost to sell. Any gains or losses arising from changes in the fair value less costs to sell are recognised in profit or loss.

5.8 LEASES

The Group assesses whether a contract is or contains a lease, at the inception of the contract. The Group recognises a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for low-value assets and short-term leases with 12 months or less. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use assets and the associated lease liabilities are presented as a separate line item in the statements of financial position.

The right-of-use asset is initially measured at cost. Cost includes the initial amount of the corresponding lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred less any incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of the lease liability. The depreciation starts from the commencement date of the lease. If the lease transfers ownership of the underlying asset to the Group or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those property, plant and equipment. The estimated useful lives of the right-of-use assets are determined as follows:-

Leasehold land	36 – 880 years
Buildings	10 years

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment is made to the carrying amount of the right-of-use asset or is recognised in profit or loss if the carrying amount has been reduced to zero.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5.9 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average cost method and comprises the purchase price, production or conversion costs and incidentals incurred in bringing the inventories to their present location and condition. The cost of conversion includes cost directly related to the units of production, and a proportion of fixed production overheads based on the normal capacity of the production facilities.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

5.10 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, and demand deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

5.11 IMPAIRMENT

(a) Impairment of Financial Assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at fair value through other comprehensive income, trade receivables, as well as on financial guaranteed contracts.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime expected credit losses for trade receivables using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate).

For all other financial instruments, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5.11 IMPAIRMENT (CONTINUED)

(b) Impairment of Non-financial Assets

The carrying values of assets, other than those to which MFRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value-in-use, which is measured by reference to discounted future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss.

When there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

5.12 PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation. The discount rate shall be a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as interest expense in profit or loss.

5.13 EMPLOYEE BENEFITS

(a) Short-term Benefits

Wages, salaries, paid annual leave and bonuses are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

(b) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5.14 INCOME TAXES

(a) Current Tax

Current tax assets and liabilities are expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

(b) Deferred Tax

Deferred tax is recognised using the liability method for all temporary differences other than those that arise from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity.

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

5.15 OPERATING SEGMENTS

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5.16 EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for own shares held.

Diluted earnings per ordinary share is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

5.17 BORROWING COSTS

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

5.18 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

5.19 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue is recognised by reference to each distinct performance obligation in the contract with customer and is measured at the consideration specified in the contract of which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or services promised in the contract.

The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of that asset.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5.19 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

The Group transfers control of a good or service at a point in time unless one of the following overtime criteria is met:-

- The customer simultaneously receives and consumes the benefits provided as the Group performs.
- The Group's performances creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

(a) Sale of goods

Revenue from sale of goods is recognised when the Group has transferred control of the goods to the customer, being when the goods have been delivered to the customer and upon its acceptance. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, and bears the risks of obsolescence and loss in relation to the goods.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(b) Administrative fee

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

5.20 REVENUE FROM OTHER SOURCES AND OTHER OPERATING INCOME

(a) Dividend income

Dividend income from investment is recognised when the right to receive dividend payment is established.

(b) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

(c) Rental income

Rental income is accounted for on a straight-line method over the lease term.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

6. INVESTMENT IN SUBSIDIARIES

	The Company 2023 RM	The Company 2022 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
Accumulated impairment losses	(25,068,655)	(25,068,655)
	54,089,430	54,089,430
Accumulated impairment losses:		
At 1 February	25,068,655	28,014,655
Reversal during the year	–	(2,946,000)
At 31 January	25,068,655	25,068,655

The details of the subsidiaries are as follows:-

Name of Subsidiaries	Principal Place of Business/Country of Incorporation	Percentage of Issued Share Capital Held by Parent 2023 %	Percentage of Issued Share Capital Held by Parent 2022 %	Principal Activities
Cacao Paramount Sdn. Bhd.	Malaysia	100	100	Processing of crude palm kernel oil, 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 butter, 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 2023

7. PROPERTY, PLANT AND EQUIPMENT

	At 1.2.2022 RM	Additions RM	Write-off RM	Disposal RM	Depreciation Charges (Note 26) RM	At 31.1.2023 RM
The Group						
2023						
Carrying Amount						
Buildings	5,475,004	680,162	(1)	–	(487,895)	5,667,270
Bearer plants	3,605,103	5,480,761	–	–	(615,157)	8,470,707
Office equipment, furniture and fixtures	648,275	26,879	(1,113)	–	(90,364)	583,677
Plant and machinery	4,847,203	144,384	(3)	–	(620,163)	4,371,421
Tractors and motor vehicles	194,948	229,738	–	(4,500)	(119,285)	300,901
Work-in-progress	197,240	–	–	–	–	197,240
	14,967,773	6,561,924	(1,117)	(4,500)	(1,932,864)	19,591,216

	At 1.2.2021 RM	Additions RM	Write-off RM	Disposal RM	Depreciation Charges (Note 26) RM	At 31.1.2022 RM
2022 (Restated)						
Carrying Amount						
Buildings	5,790,305	–	–	–	(315,301)	5,475,004
Bearer plants	3,592,808	350,506	–	–	(338,211)	3,605,103
Office equipment, furniture and fixtures	729,775	25,503	–	–	(107,003)	648,275
Plant and machinery	5,456,145	9,794	–	–	(618,736)	4,847,203
Tractors and motor vehicles	279,811	8,000	(834)	(2)	(92,027)	194,948
Work-in-progress	175,360	21,880	–	–	–	197,240
	16,024,204	415,683	(834)	(2)	(1,471,278)	14,967,773

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
The Group			
2023			
Buildings	14,534,001	(8,866,731)	5,667,270
Bearer plants	13,994,152	(5,523,445)	8,470,707
Office equipment, furniture and fixtures	2,298,320	(1,714,643)	583,677
Plant and machinery	47,071,510	(42,700,089)	4,371,421
Tractors and motor vehicles	2,967,330	(2,666,429)	300,901
Work-in-progress	197,240	–	197,240
	81,062,553	(61,471,337)	19,591,216
2022 (Restated)			
Buildings	13,854,659	(8,379,655)	5,475,004
Bearer plants	8,513,391	(4,908,288)	3,605,103
Office equipment, furniture and fixtures	2,280,566	(1,632,291)	648,275
Plant and machinery	46,929,406	(42,082,203)	4,847,203
Tractors and motor vehicles	2,747,592	(2,552,644)	194,948
Work-in-progress	197,240	–	197,240
	74,522,854	(59,555,081)	14,967,773

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	At 1.2.2022/ 31.1.2023 RM
The Company	
2023	
Carrying Amount	
Office equipment, furniture and fixtures	6

	At 1.2.2021/ 31.1.2022 RM
2022	
Carrying Amount	
Office equipment, furniture and fixtures	6

	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
The Company			
2023			
Office equipment, furniture and fixtures	16,258	(16,252)	6
2022			
Office equipment, furniture and fixtures	16,258	(16,252)	6

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

8. RIGHT-OF-USE ASSETS

	At 1.2.2022 RM	Additions RM	Depreciation Charges (Note 26) RM	At 31.1.2023 RM
The Group				
2023				
Carrying Amount				
Leasehold land	22,573,504	20,448,941	(709,228)	42,313,217
Buildings	11,941,781	–	(1,705,968)	10,235,813
	34,515,285	20,448,941	(2,415,196)	52,549,030

	At 1.2.2021 RM	Additions RM	Depreciation Charges (Note 26) RM	At 31.1.2022 RM
2022 (Restated)				
Carrying Amount				
Leasehold land	21,390,468	1,755,695	(572,659)	22,573,504
Buildings	13,647,749	–	(1,705,968)	11,941,781
	35,038,217	1,755,695	(2,278,627)	34,515,285

(a) The Group leases certain pieces of leasehold land and buildings of which the leasing activities are summarised below:-

(i) Leasehold land — The Group has 15 (2022: 13) non-cancellable lease agreements for the use of land. The lease are for a period from 36 to 880 years with no renewal or purchase option included in the agreements.

(ii) Buildings — The Group leased buildings which comprise warehouse, kernel crushing plant, silo and tank for a period of 10 years with an option to renew the lease after that date.

(b) The Group also has leases with lease terms of 12 months or less. The Group has applied the "short-term lease" recognition exemptions for these leases.

(c) The leasehold land with carrying amount of RM11,887,983 (2022: RM12,152,651) has been pledged to licensed bank as security for banking facility granted to the Group as disclosed in Note 19 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

9. DEFERRED TAX (ASSETS)/LIABILITIES

	At 1.2.2022 RM	Recognised in Profit or Loss (Note 27) RM	At 31.1.2023 RM
The Group			
2023			
Deferred Tax Liabilities			
Property, plant and equipment	3,777,523	561,709	4,339,232
Biological assets	109,860	758	110,618
	3,887,383	562,467	4,449,850
Deferred Tax Assets			
Unused tax losses	(1,183,968)	124,968	(1,059,000)
Unabsorbed capital allowance	(151,326)	–	(151,326)
	(1,335,294)	124,968	(1,210,326)
	2,552,089	687,435	3,239,524

	At 1.2.2021 RM	Recognised in Profit or Loss (Note 27) RM	At 31.1.2022 RM
2022			
Deferred Tax Liabilities			
Property, plant and equipment	3,257,883	519,640	3,777,523
Biological assets	70,670	39,190	109,860
	3,328,553	558,830	3,887,383
Deferred Tax Assets			
Unused tax losses	–	(1,183,968)	(1,183,968)
Unabsorbed capital allowance	(30,574)	(120,752)	(151,326)
	(30,574)	(1,304,720)	(1,335,294)
	3,297,979	(745,890)	2,552,089

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

9. DEFERRED TAX (ASSETS)/LIABILITIES (CONTINUED)

At the end of the reporting period, the amounts of deferred tax assets not recognised (stated at gross) due to uncertainty of their realisation are as follows:-

	The Group	
	2023 **RM**	**2022** **RM**
Unused tax losses:-		
- expires year of assessment 2028	27,810,617	29,885,101
- expires year of assessment 2029	93,227	93,227
- expires year of assessment 2033	251,519	–
	28,155,363	29,978,328

Based on the current legislation, the unused tax losses up to the year of assessment 2018 can be carried forward until the year of assessment 2028 and the unused tax losses for 2019 onwards are allowed to be utilised for 10 consecutive years of assessment immediately following that year of assessment.

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset in the table above. The following is the analysis of deferred tax balances for financial reporting purposes:

	The Group	
	2023 **RM**	**2022** **RM**
Deferred tax assets	–	(1,306,835)
Deferred tax liabilities	3,239,524	3,858,924
	3,239,524	2,552,089

10. BIOLOGICAL ASSETS

	The Group	
	2023 **RM**	**2022** **RM**
At fair value		
At 1 February	457,753	294,459
Transfer to produce stock	(457,753)	(294,459)
Fair value changes	450,727	457,753
At 31 January	450,727	457,753

	2023 **MT**	**2022** **MT**
Production for the year	14,908	14,429

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

10. BIOLOGICAL ASSETS (CONTINUED)

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 sales of FFB.

To arrive at the fair value of FFB, the management considered the oil content of the unripe FFB and derived the assumption that the net cash flow to be generated from FFB in excess of 4 weeks prior to harvest to be negligible, therefore quantity of unripe FFB on bearer plants of up to 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 cost to sell at the point of harvest. Costs to sell, which include harvesting and transport cost, are deducted in arriving at the net cash flow to be generated.

The change in fair value of the biological assets in each accounting period is recognised in profit or loss.

The Group's biological assets were fair valued within Level 3 of the fair value hierarchy. Fair value assessments have been completed consistently using the same valuation techniques.

11. INVENTORIES

	The Group	
	2023	**2022**
	RM	**RM**
At cost		
Finished goods	24,447,783	32,062,647
Raw materials	3,221,280	8,266,417
Trading goods	3,572,146	6,085,447
Stores and supplies	1,405,900	1,017,045
	32,647,109	47,431,556

The amount of inventories recognised as an expense in cost of sales of the Group was RM416,279,367 (2022: RM452,885,539).

12. TRADE RECEIVABLES

	The Group	
	2023	**2022**
	RM	**RM**
Trade receivables:		
- Third parties	10,521,204	9,862,901
- Related companies	1,128,022	67,328,132
	11,649,226	77,191,033

The Group's normal trade credit terms range from 30 to 60 (2022: 30 to 60) days.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Other receivables:				
- Third parties	655,440	758,649	–	843
- Related companies	80,169	82,903	–	–
	735,609	841,552	–	843
Deposits	699,410	1,693,399	1,050	1,050
Prepayments	81,548	434,923	18,333	18,334
	1,516,567	2,969,874	19,383	20,227

The amounts owing by related companies represent unsecured interest free advances which are repayable on demand and are to be settled in cash.

14. AMOUNT OWING BY/(TO) SUBSIDIARIES

The amounts owing represent unsecured advances, bear interest at the rate ranging from 3.79% to 4.79% (2022: 3.79%) per annum and are repayable on demand.

15. SHORT-TERM DEPOSITS WITH LICENSED BANKS

The short-term deposits with licensed banks of the Group at the end of the reporting period bore effective interest rates ranging from 2.30% to 4.18% (2022: 1.20% to 2.70%) per annum. The short-term deposits are made for varying periods of one to four days (2022: one to nine days) depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates.

16. DERIVATIVE ASSETS/(LIABILITIES)

	Contract/Notional Amount		The Group	
	2023 RM	2022 RM	2023 RM	2022 RM
Derivative Assets				
Forward currency contracts	–	3,435,746	–	10,237
Derivative Liabilities				
Forward currency contracts	(3,256,844)	–	(5,799)	–

The Group does not apply hedge accounting. Forward currency contracts are used to hedge the Group's sales denominated in United States Dollar (USD) and Euro (EUR) for which firm commitments existed at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

17. SHARE CAPITAL

	The Group/The Company			
	2023	2022	2023	2022
	Number Of Shares		RM	RM
Issued and fully paid-up				
Ordinary shares				
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 ordinary share at meetings of the Company. The ordinary shares have no par value.

18. LONG-TERM BORROWINGS

	The Group	
	2023	2022
	RM	RM
Term loan (Note 19)	7,639,996	9,390,833

19. TERM LOAN

	The Group	
	2023	2022
	RM	RM
Current liabilities (Note 21)	1,910,004	159,167
Non-current liabilities (Note 18)	7,639,996	9,390,833
	9,550,000	9,550,000

(a) Term loan is secured by first party legal charge over one parcel of land of the Group as disclosed in Note 8 to the financial statements and corporate guarantee provided by the Company.

(b) The effective interest rate at the end of the reporting date for term loan is 4.29% (2022: 3.25%) per annum.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

20. LEASE LIABILITIES

	The Group	
	2023 RM	**2022 RM**
At 1 February	12,808,724	14,297,545
Interest expense recognised in profit or loss (Note 26)	600,624	677,419
Repayment of principal	(1,565,616)	(1,488,821)
Repayment of interest expense	(600,624)	(677,419)
At 31 January	11,243,108	12,808,724
Analysed by:-		
Current liabilities	1,646,371	1,565,616
Non-current liabilities	9,596,737	11,243,108
	11,243,108	12,808,724

21. SHORT-TERM BORROWINGS

	The Group	
	2023 RM	**2022 RM**
Term loan (Note 19)	1,910,004	159,167
Bankers' acceptances	5,140,000	59,178,000
Bank overdrafts	1,048,775	883,365
	8,098,779	60,220,532

Bankers' acceptances and bank overdrafts of the Group are secured by a corporate guarantee given by the Company.

The weighted average effective interest rates at the end of the reporting date for borrowings are as follows:-

	2023 %	**2022 %**
Bankers' acceptances	2.43	2.13
Bank overdrafts	7.04	6.04

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

22. TRADE PAYABLES

	The Group	
	2023 RM	2022 RM
Trade payables:		
- Third parties	2,895,109	10,559,700
- Related companies	17,177,281	37,985,408
	20,072,390	48,545,108

The normal trade credit term granted to the Group range from 30 to 60 days (2022: 30 to 60 days).

23. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Other payables:				
- Third parties	542,212	872,263	–	2,650
- Related companies	937,664	463,523	3,235	7,934
	1,479,876	1,335,786	3,235	10,584
Accruals	1,577,893	472,763	179,628	70,000
Advances	113,354	3,663,151	–	–
Deposits	1,200	600	–	–
	3,172,323	5,472,300	182,863	80,584

The amount owing to related companies is unsecured, interest free and repayable on demand and is to be settled in cash.

24. AMOUNT OWING TO HOLDING COMPANY

The amount owing represents unsecured advances granted to the Company, bears interest at the rates ranging from 3.79% to 4.79% per annum which is repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

25. REVENUE

	The Group 2023 RM	The Group 2022 RM	The Company 2023 RM	The Company 2022 RM
Revenue from Contracts with Customers				
Recognised over time				
Administrative fees	–	–	840,000	756,000
Freight income	16,022,106	12,234,522	–	–
	16,022,106	12,234,522	840,000	756,000
Recognised at a point in time				
Sale of crude palm kernel oil	349,724,207	292,857,198	–	–
Sale of palm oil related products	57,196,725	138,155,647	–	–
Sale of palm kernel expeller	35,806,758	34,240,914	–	–
Sale of plantation produce	13,696,117	12,196,990	–	–
Sale of cocoa products	17,219,040	12,823,590	–	–
Sale of dried cocoa beans	24	99	–	–
Dividend income	–	–	–	12,882,000
	473,642,871	490,274,438	–	12,882,000
	489,664,977	502,508,960	840,000	13,638,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

26. PROFIT BEFORE TAXATION

	The Group		The Company	
	2023 RM	2022 RM (Restated)	2023 RM	2022 RM
Profit before taxation is arrived at after charging/(crediting):-				
Auditors' remuneration:				
- audit fees:				
- current financial year	116,000	106,000	60,000	52,500
- underprovision in the previous financial year	7,500	3,500	3,500	1,500
- non-audit fees	–	16,563	–	7,050
Staff costs:				
- Salaries, bonus and other benefits	4,540,716	4,274,363	401,376	427,936
- Defined contribution benefits	429,497	419,291	41,205	46,044
Depreciation of property, plant and equipment (Note 7)	1,932,864	1,471,278	–	–
Depreciation of right-of-use assets (Note 8)	2,415,196	2,278,627	–	–
Hire of equipment	95,679	92,455	8,517	7,980
Inventories written off	–	18,973	–	–
Inventories written down	–	70,788	–	–
Net change in fair value on forward currency contracts	16,036	(1,760)	–	–
Net loss/(gain) on fair value of commodity future contracts:				
- realised	–	2,594,750	–	–
- unrealised	–	(874,900)	–	–
Prepayment written off	–	1,917,480	–	–
Property, plant and equipment written off	1,117	834	–	–
Rental of premises	45,050	45,960	21,700	25,200
Total interest expenses on financial liabilities that are not at fair value through profit or loss:				
- Bankers' acceptances	723,193	1,272,491	–	–
- Lease liabilities	600,624	677,419	–	–
- Onshore foreign currency loan	84,757	39,691	–	–
- Term loan	350,943	310,376	–	–
- Holding company	914,930	–	914,930	–
- Subsidiaries	–	–	139,241	518,753

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

26. PROFIT BEFORE TAXATION (CONTINUED)

	The Group		The Company	
	2023 RM	2022 RM (Restated)	2023 RM	2022 RM
Profit before taxation is arrived at after charging/(crediting):- (continued)				
Reversal of impairment losses on investment in subsidiary	–	–	–	(2,946,000)
Gain on disposal of property, plant and equipment	(2,500)	(1,508)	–	–
Total interest income on financial assets measured at amortised cost	(864,200)	(295,165)	(1,954,752)	(718,252)
Net loss/(gain) on foreign exchange:				
- realised	3,555,043	(918,031)	–	–
- unrealised	41,105	(794,334)	–	–
Net fair value loss/(gain) on biological asset	7,026	(163,294)	–	–
Rental income	(260,407)	(254,808)	–	–

27. INCOME TAX EXPENSE

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Income tax:-				
- current financial year	10,435,313	5,817,543	259,024	291,126
- under/(over) provision in the previous financial year	933	28,368	(3,651)	–
	10,436,246	5,845,911	255,373	291,126
Deferred tax (Note 9):-				
- origination and reversal of temporary differences	433,831	(745,890)	–	–
- underprovision in the previous financial year	253,604	–	–	–
	687,435	(745,890)	–	–
	11,123,681	5,100,021	255,373	291,126

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

27. INCOME TAX EXPENSE (CONTINUED)

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

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Profit before taxation	40,878,247	24,830,682	499,870	15,566,390
Tax at the statutory tax rate of 24% (2022: 24%)	9,810,779	5,959,363	119,969	3,735,934
Tax effects of:				
Non-taxable income	–	(2,260)	–	(3,798,720)
Non-deductible expenses	987,194	878,883	139,055	353,912
Utilisation of deferred tax assets previously not recognised	–	(580,365)	–	–
Recognition of deferred tax assets previously not recognised	–	(1,183,968)	–	–
Deferred tax assets not recognised during the financial year	71,171	–	–	–
Underprovision of deferred tax in the previous financial year	253,604	–	–	–
Under/(over) provision of income tax in the previous financial year	933	28,368	(3,651)	–
	11,123,681	5,100,021	255,373	291,126

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2022: 24%) of the estimated assessable profit for the financial year. The taxation of other jurisdictions is calculated at the rates prevailing in the respective jurisdiction.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

28. EARNINGS PER SHARE

	The Group	
	2023	**2022**
Profit after taxation attributable to owners of the Company (RM)	29,754,566	19,730,661
Weighted average number of ordinary shares in issue	40,096,902	40,096,902
Basic earnings per share (sen)	74.21	49.21

29. DIVIDENDS

	The Group/ The Company	
	2023 RM	**2022 RM**
First and final single-tier dividend of RM0.03 per ordinary share in respect of the previous financial year	1,202,907	–

At the forthcoming Annual General Meeting, a first and final dividend of RM0.05 per ordinary share amounting to RM2,004,845 in respect of the current financial year will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for as a liability in the financial year ending 31 January 2024.

30. CASH FLOW INFORMATION

(a) The cash disbursed for the purchase of property, plant and equipment and the addition of right-of-use assets is as follows:

	The Group	
	2023 RM	**2022 RM**
Property, plant and equipment		
Cost of property, plant and equipment purchased (Note 7)	6,561,924	415,683
Right-of-use assets		
Cost of right-of-use assets acquired (Note 8)	20,448,941	1,755,695

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

30. CASH FLOW INFORMATION (CONTINUED)

(b) The reconciliations of liabilities arising from financing activities are as follows:-

	Bankers' Acceptances RM	Onshore Foreign Currency Loan RM	Lease Liabilities RM	Amount Owing to Holding Company RM	Amount Owing to Related Companies RM	Term Loan RM	Total RM
The Group							
2023							
At 1 February	59,178,000	–	12,808,724	–	463,523	9,550,000	82,000,247
Changes in Financing Cash Flows							
Proceeds from drawdown	–	–	–	9,998,146	474,141	–	10,472,287
Repayment of principal	(54,038,000)	–	(1,565,616)	–	–	–	(55,603,616)
Repayment of interests	(723,193)	(84,757)	(600,624)	(914,930)	–	(350,943)	(2,674,447)
	(54,761,193)	(84,757)	(2,166,240)	9,083,216	474,141	(350,943)	(47,805,776)
Other Changes							
Interest expense recognised in profit or loss (Note 26)	723,193	84,757	600,624	914,930	–	350,943	2,674,447
At 31 January	5,140,000	–	11,243,108	9,998,146	937,664	9,550,000	36,868,918

30. CASH FLOW INFORMATION (CONTINUED)

(b) The reconciliations of liabilities arising from financing activities are as follows:- (continued)

	Bankers' Acceptances RM	Onshore Foreign Currency Loan RM	Lease Liabilities RM	Amount Owing to Related Companies RM	Term Loan RM	Total RM
The Group						
2022						
At 1 February	31,015,000	6,250,628	14,297,545	592,063	9,550,000	61,705,236
Changes in Financing Cash Flows						
Proceeds from drawdown	212,723,000	73,131,777	–	–	–	285,854,777
Repayment of principal	(184,560,000)	(79,382,405)	(1,488,821)	(128,540)	–	(265,559,766)
Repayment of interests	(1,272,491)	(39,691)	(677,419)	–	(310,376)	(2,299,977)
	26,890,509	(6,290,319)	(2,166,240)	(128,540)	(310,376)	17,995,034
Other Changes						
Interest expense recognised in profit or loss (Note 26)	1,272,491	39,691	677,419	–	310,376	2,299,977
At 31 January	59,178,000	–	12,808,724	463,523	9,550,000	82,000,247

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

30. CASH FLOW INFORMATION (CONTINUED)

(b) The reconciliations of liabilities arising from financing activities are as follows:- (continued)

	Amount Owing to Holding Company RM	Amount Owing to Related Companies RM	Amount Owing to Subsidiaries RM	Total RM
The Company				
2023				
At 1 February	–	7,934	4,626,990	4,634,924
Changes in Financing Cash Flows				
Proceed from drawdown	9,998,146	–	–	9,998,146
Repayment of principal	–	(4,699)	(4,626,990)	(4,631,689)
Repayment of interests	(914,930)	–	(139,241)	(1,054,171)
	9,083,216	(4,699)	(4,766,231)	4,312,286
Other Changes				
Interest expenses recognised in profit or loss (Note 26)	914,930	–	139,241	1,054,171
At 31 January	9,998,146	3,235	–	10,001,381

	Amount Owing to Related Companies RM	Amount Owing to Subsidiaries RM	Total RM
2022			
At 1 February	8,026	10,631,416	10,639,442
Changes in Financing Cash Flows			
Repayment of principal	(92)	(6,004,426)	(6,004,518)
Repayment of interests	–	(518,753)	(518,753)
	(92)	(6,523,179)	(6,523,271)
Other Changes			
Interest expenses recognised in profit or loss (Note 26)	–	518,753	518,753
At 31 January	7,934	4,626,990	4,634,924

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

30. CASH FLOW INFORMATION (CONTINUED)

(c) The total cash outflows for leases as a lessee are as follows:-

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Payment of short-term leases	140,729	138,415	30,217	33,180
Payment of lease liabilities	1,565,616	1,488,821	–	–
Interest paid on lease liabilities	600,624	677,419	–	–
	2,306,969	2,304,655	30,217	33,180

(d) The cash and cash equivalents comprise the following:-

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Cash and bank balances	6,379,417	16,093,456	33,772	129,856
Short-term deposits with licensed banks	48,687,542	24,070,348	1,550,000	–
	55,066,959	40,163,804	1,583,772	129,856
Bank overdrafts	(1,048,775)	(883,365)	–	–
	54,018,184	39,280,439	1,583,772	129,856

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

31. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group and of the Company.

The key management personnel compensation during the financial year are as follows:-

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
(a) Directors				
Directors of the Company				
Short-term employee benefits:				
- fees	54,000	54,000	54,000	54,000
- salaries, bonuses and other benefits	328,453	304,247	328,453	304,247
	382,453	358,247	382,453	358,247
Defined contribution benefits	40,027	36,345	40,027	36,345
	422,480	394,592	422,480	394,592
Directors of the Subsidiaries				
Short-term employee benefits:				
- salaries, bonuses and other benefits	315,667	318,156	–	–
Defined contribution benefits	38,004	38,244	–	–
	353,671	356,400	–	–
Total directors' remuneration	776,151	750,992	422,480	394,592
(b) Other Key Management Personnel				
Short-term employee benefits	144,955	144,893	144,955	144,893
Defined contribution benefits	5,808	5,808	5,808	5,808
Total compensation for other key management personnel	150,763	150,701	150,763	150,701

32. RELATED PARTY DISCLOSURES

(a) Identities of Related Parties

Parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly 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.

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, holding company, key management personnel and entities within the same group of companies.

(b) Significant Related Party Transactions and Balances

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year:-

		The Group	
	Note	2023 RM	2022 RM
Related Companies			
Sale of crude palm kernel oil	(ii)	(349,724,207)	(292,857,198)
Sale of palm kernel expeller	(ii)	(642,223)	(462,749)
Sale of oil palm fresh fruit bunches	(ii)	(11,404,655)	(9,801,449)
Sale of palm oil related products	(ii)	(16,043,845)	(42,127,877)
Sale of cocoa powder	(ii)	(626,837)	(513,978)
Sale of chocolate products	(ii)	(2,072,612)	(1,986,218)
Purchase of palm kernel	(iii)	129,809,735	118,426,871
Purchase of palm oil related products	(iii)	15,588,377	17,351,398
Purchase of goods	(iii)	2,582,907	2,357,895
Rental of land, office and computer	(iii)	2,276,462	2,302,930
Insurance expenses	(iii)	840,331	289,200
Holding Company			
Interest expenses	(i)	914,930	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

32. RELATED PARTY DISCLOSURES (CONTINUED)

(b) Significant Related Party Transactions and Balances (continued)

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year:- (continued)

	Note	The Company 2023 RM	2022 RM
Holding Company			
Interest expense	(i)	914,930	–
Subsidiaries			
Administration fees received	(iv)	(840,000)	(756,000)
Dividend income		–	(12,882,000)
Interest income	(i)	(1,938,646)	(713,779)
Interest expense	(i)	139,241	518,753

Related companies are subsidiaries of HTG Holdings Sdn. Bhd. (the holding company) other than the Company's own subsidiaries.

(i) Interest income and interest expense arise from amounts due from/(to) subsidiaries and amount due to holding company.

(ii) Sale of product 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.

The significant outstanding balances of the related parties together with their terms and conditions are disclosed in the respective notes to the financial statements.

The related party transactions described above were entered into in the normal course of business carried out based on negotiated terms and conditions and are mutually agreed with respective parties.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

33. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Executive Director as its chief operating decision maker in order to allocate resources to segments and to assess their performance on a quarterly basis. For management purposes, the Group is organised into business units based on their products and services provided.

The Group is organised into 3 main reportable segments as follows:-

- Cocoa products segment – manufacturing and sale of cocoa product and trading and sale of dried cocoa beans
- Oil palm products segment – operation of oil palm plantations, operation of kernel crushing plant
- Corporate segment – group-level corporate service and treasury functions

(a) The chief operating decision maker assesses the performance of the reportable segments based on their profit before interest expense and tax. The accounting policies of the reportable segments are the same as the Group's accounting policies.

(b) Each reportable segment assets is measured based on all assets of the segment other than and tax-related assets.

(c) Each reportable segment liabilities is measured based on all liabilities of the segment other than tax-related liabilities.

(d) Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the reportable segments are presented under unallocated items.

Transactions between reportable segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

33. OPERATING SEGMENTS (CONTINUED)

33.1 BUSINESS SEGMENTS

	Cocoa Products RM	Oil Palm Products RM	Corporate RM	Consolidation Adjustments RM	The Group RM
2023					
Revenue					
External revenue	18,198,509	471,466,468	–	–	489,664,977
Inter-segment revenue	300	–	–	(300)	–
Total revenue	18,198,809	471,466,468	–	(300)	489,664,977
Results					
Segment profit	1,536,088	41,441,806	574,800	–	43,552,694
Finance costs	–	(3,698,163)	(1,054,171)	2,077,887	(2,674,447)
Profit/(Loss) before taxation	1,536,088	37,743,643	(479,371)	2,077,887	40,878,247
Segment profit includes the followings:-					
Interest income	(235,154)	(752,181)	(1,954,752)	2,077,887	(864,200)
Depreciation	43,483	4,304,577	–	–	4,348,060
Gain on disposal of property, plant and equipment	–	(2,500)	–	–	(2,500)
Unrealised foreign exchange loss/(gain)	110,399	(69,294)	–	–	41,105
Fair value gain on forward currency contracts	1,819	14,217	–	–	16,036
Property, plant and equipment written off	–	1,117	–	–	1,117

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

33. OPERATING SEGMENTS (CONTINUED)

33.1 BUSINESS SEGMENTS (CONTINUED)

	Cocoa Products RM	Oil Palm Products RM	Corporate RM	Consolidation Adjustments RM	The Group RM
2023					
Assets					
Segment assets	19,468,905	152,398,768	1,603,161	–	173,470,834
Unallocated assets:-					
- deferred tax assets	869,000	–	–	(869,000)	–
- current tax assets	29,101	–	80,976	–	110,077
Consolidated total assets	20,367,006	152,398,768	1,684,137	(869,000)	173,580,911
Additions to non-current assets other than financial instruments					
Property, plant and equipment	121,732	6,440,192	–	–	6,561,924
Right-of-use assets	–	20,448,941	–	–	20,448,941
Liabilities					
Segment liabilities	405,977	49,643,555	10,181,009	–	60,230,541
Unallocated liabilities:-					
- deferred tax liabilities	–	4,108,524	–	(869,000)	3,239,524
- current tax liabiities	–	2,975,912	–	–	2,975,912
Consolidated total liabilities	405,977	56,727,991	10,181,009	(869,000)	66,445,977

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

33. OPERATING SEGMENTS (CONTINUED)

33.1 BUSINESS SEGMENTS (CONTINUED)

	Cocoa Products RM	Oil Palm Products RM	Corporate RM	Consolidation Adjustments RM	The Group RM
2022					
Revenue					
External revenue	13,642,361	488,866,599	–	–	502,508,960
Inter-segment revenue	200	–	–	(200)	–
Total revenue	13,642,561	488,866,599	–	(200)	502,508,960
Results					
Segment profit/(loss)	1,554,667	26,983,652	(1,407,660)	–	27,130,659
Finance costs	–	(3,013,756)	(518,753)	1,232,532	(2,299,977)
Profit/(Loss) before taxation	1,554,667	23,969,896	(1,926,413)	1,232,532	24,830,682
Segment profit/(loss) includes the followings:-					
Interest income	(241,785)	(567,660)	(718,252)	1,232,532	(295,165)
Depreciation	175,920	3,573,985	–	–	3,749,905
Prepayment written off	–	1,917,480	–	–	1,917,480
Gain on disposal of property, plant and equipment	–	(1,508)	–	–	(1,508)
Unrealised foreign exchange loss/(gain)	2,810	(797,144)	–	–	(794,334)
Net change in fair value on forward currency contracts	(1,819)	59	–	–	(1,760)
Net loss on fair value of commodity future contracts	–	1,719,850	–	–	1,719,850
Inventories written off	–	18,973	–	–	18,973
Inventories written down	–	70,788	–	–	70,788
Property, plant and equipment written off	–	834	–	–	834

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

33. OPERATING SEGMENTS (CONTINUED)

33.1 BUSINESS SEGMENTS (CONTINUED)

	Cocoa Products RM	Oil Palm Products RM	Corporate RM	Consolidation Adjustments RM	The Group RM
2022					
Assets					
Segment assets	17,277,219	198,973,172	150,089	1,306,835	217,707,315
Unallocated assets:-					
- deferred tax assets	1,306,835	–	–	–	1,306,835
Consolidated total assets	18,584,054	198,973,172	150,089	1,306,835	219,014,150
Additions to non-current assets other than financial instruments					
Property, plant and equipment	27,004	388,679	–	–	415,683
Right-of-use assets	–	1,755,695	–	–	1,755,695
Liabilities					
Segment liabilities	148,467	131,834,843	460,811	3,993,376	136,437,497
Unallocated liabilities:-					
- deferred tax liabilities	–	3,858,924	–	–	3,858,924
- current tax liabiities	(16,180)	69,508	81,126	–	134,454
Consolidated total liabilities	132,287	135,763,275	541,937	3,993,376	140,430,875

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

33. OPERATING SEGMENTS (CONTINUED)

33.2 DISAGGREGATION OF REVENUE

The information on the disaggregation of revenue based on business segments is summarised below:-

	Cocoa Products RM	Oil Palm Products RM	The Group RM
2023			
Timing of Revenue Recognition			
At a point in time	17,219,064	456,423,807	473,642,871
Over time	979,445	15,042,661	16,022,106
	18,198,509	471,466,468	489,664,977
2022			
Timing of Revenue Recognition			
At a point in time	12,823,689	477,450,749	490,274,438
Over time	818,672	11,415,850	12,234,522
	13,642,361	488,866,599	502,508,960

33.3 MAJOR CUSTOMERS

The following are major customers with revenue equal to or more than 10% of the Group's total revenue:-

	Revenue 2023 RM	Revenue 2022 RM	Segment
Customer #1	377,931,037	299,589,131	Oil palm products

34. CAPITAL COMMITMENTS

	The Group 2023 RM	The Group 2022 RM
Purchase of property, plant and equipment	1,044,000	8,950,500

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

35. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

35.1 FINANCIAL RISK MANAGEMENT POLICIES

The Group's policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective functional currencies of entities within the Group. The currencies giving rise to this risk are primarily United States Dollar ("USD"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. On occasion, the Group enters into forward foreign currency contracts to hedge against its foreign currency risk. The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes.

The Group's exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:-

Foreign Currency Exposure

	United States Dollar RM
The Group	
2023	
Financial Assets	
Trade receivables	10,417,467
Cash and bank balances	3,807,296
Short-term deposits with licensed banks	21,317,500
	35,542,263
Financial Liabilities	
Other payables and accruals	(113,354)
Currency Exposure	35,428,909

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

35. FINANCIAL INSTRUMENTS (CONTINUED)

35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

(a) Market Risk (continued)

(i) Foreign Currency Risk (continued)

Foreign Currency Exposure (continued)

	United States Dollar RM
The Group	
2022	
Financial Assets	
Trade receivables	9,633,730
Cash and bank balances	15,569,076
	25,202,806
Financial Liabilities	
Other payables and accruals	(789,235)
Currency Exposure	24,413,571

Foreign Currency Risk Sensitivity Analysis

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

		The Group	
		2023 RM	**2022 RM**
Effect on Profit After Taxation			
USD/RM	- strengthened by 5% (2022: 5%)	1,346,297	4,410,200
	- weakened by 5% (2022: 5%)	(1,346,297)	(4,410,200)

35. FINANCIAL INSTRUMENTS (CONTINUED)

35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

(a) Market Risk (continued)

(ii) 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 exposure to interest rate risk arises mainly from long- term borrowings with variable rates. The Group's policy is to obtain the most favorable interest rates available.

The Group's short-term deposits with licensed banks are carried at amortised cost. Therefore, they are not subject to interest rate risk as in defined MFRS 7 since neither carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Notes 14, 19, 21 and 24 to the financial statements.

Interest Rate Risk Sensitivity Analysis

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

	The Group		**The Company**	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
Effect on Profit After Taxation				
Increase of 100 (2022: 25) basis points	(433,522)	(124,209)	140,334	61,789
Decrease of 100 (2022: 25) basis points	433,522	124,209	(140,334)	(61,789)

(iii) Equity Price Risk

The Group does not have any quoted investments and hence, is not exposed to equity price risk.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

35. FINANCIAL INSTRUMENTS (CONTINUED)

35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances and derivatives), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company's exposure to credit risk arises principally from loans and advances to subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the results of these subsidiaries regularly and repayments made by the subsidiaries.

(i) Credit Risk Concentration Profile

The Group's major concentration of credit risk relates to the amount owing by 6 (2022: 3) customers which constituted approximately 94% (2022: 93%) of its trade receivables at the end of the reporting period.

In addition, the Group also determines the concentration of credit risk by monitoring the geographical region of its trade receivables on an ongoing basis. The credit risk concentration profile of trade receivables (including related companies) at the end of the reporting period is as follows:-

	2023 RM	2022 RM
The Group		
Peoples' Republic of China	–	65,237,087
Singapore	5,121,317	5,851,329
Malaysia	1,232,378	2,320,369
India	–	125,598
Pakistan	5,295,531	3,656,650
	11,649,226	77,191,033

(ii) Maximum Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

35. FINANCIAL INSTRUMENTS (CONTINUED)

35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

(b) Credit Risk (continued)

(iii) Assessment of Impairment Losses

The Group has an informal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the trade receivables. The Group closely monitors the trade receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group assesses whether any of the financial assets at amortised cost are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

A financial asset is credit impaired when any of the following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficult of the receivables;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to receivables financial difficulty;
- It is becoming that the receivable will enter bankruptcy or other financial reorganisation.

The Group considers a receivable to be in default when the receivable is unlikely to repay its debt to the Group in full or is more than 120 days past due.

Trade receivables

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade receivables.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

To measure expected credit losses, trade receivables have been grouped based on similar credit risk and ageing. The expected loss rates are based on the Group's historical credit losses experienced. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts.

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on individual basis.

Allowance for Impairment Losses

The Group believes that no impairment allowance is necessary in respect of its trade receivables because the probability of default by these trade receivables were negligible.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

35. FINANCIAL INSTRUMENTS (CONTINUED)

35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

(b) Credit Risk (continued)

(iii) Assessment of Impairment Losses (continued)

Other Receivables and Amount Owing by Related Companies

The Group applies the 3-stage general approach to measuring expected credit losses for its other receivables and amount owing by related companies.

Under this approach, loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

In deriving the PD and LGD, the Group considers the receivable’s past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the receivables to settle its debts.

Allowance for Impairment Losses

No expected credit loss is recognised on other receivables and amount owing by related companies as it is negligible.

Short-Term Deposits with Licensed Banks, Cash and Bank Balances

The Group considers the licensed banks have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

Amount Owing by Subsidiaries

The Group applies the 3-stage general approach to measuring expected credit losses for all inter-company balances.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

The Company considers loans and advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary’s financial position deteriorates significantly.

For loans and advances that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the subsidiary does not have sufficient highly liquid resources when the loans and advances are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through ‘repayable over time’ or a fire sale of less liquid assets by the subsidiary.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

35. FINANCIAL INSTRUMENTS (CONTINUED)

35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

(b) Credit Risk (continued)

(iii) Assessment of Impairment Losses (continued)

Amount Owing by Subsidiaries (continued)

Inputs, Assumptions and Techniques used for Estimating Impairment Losses (continued)

For loans and advances that are not repayable on demand, loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

In deriving the PD and LGD, the Company considers the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts.

Allowance for Impairment Losses

	Gross Amount RM	Lifetime Loss Allowance RM	Carrying Amount RM
The Company			
2023			
Low credit risk	16,700,857	–	16,700,857
2022			
Low credit risk	13,801,006	–	13,801,006

Financial Guarantee Contracts

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

35. FINANCIAL INSTRUMENTS (CONTINUED)

35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities 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):-

	Contractual Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1-5 Years RM	Over 5 Years RM
The Group						
2023						
Non-derivative Financial Liabilities						
Trade payables	–	20,072,390	20,072,390	20,072,390	–	–
Other payables and accruals	–	3,057,769	3,057,769	3,057,769	–	–
Amount owing to holding company	3.79 - 4.79	9,998,146	9,998,146	9,998,146	–	–
Bankers' acceptances	2.43	5,140,000	5,140,000	5,140,000	–	–
Bank overdrafts	7.04	1,048,775	1,048,775	1,048,775	–	–
Term loan	4.29	9,550,000	10,627,821	2,125,564	8,502,257	–
Lease liabilities	5.04	11,243,108	12,997,440	2,166,240	8,664,960	2,166,240
		60,110,188	62,942,341	43,608,884	17,167,217	2,166,240

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

35. FINANCIAL INSTRUMENTS (CONTINUED)

35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

(c) Liquidity Risk (continued)

Maturity Analysis (continued)

The following table sets out the maturity profile of the financial liabilities 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):- (continued)

	Contractual Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM
The Group				
2023				
Derivative Financial Liabilities				
Forward currency contracts (gross settled):-	–	5,799	–	–
- gross payments			6,420	6,420
- gross receipts			(621)	(621)
		5,799	5,799	5,799

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

35. FINANCIAL INSTRUMENTS (CONTINUED)

35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

(c) Liquidity Risk (continued)

Maturity Analysis (continued)

The following table sets out the maturity profile of the financial liabilities 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):- (continued)

	Contractual Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1-5 Years RM	Over 5 Years RM
The Group						
2022						
Non-derivative Financial Liabilities						
Trade payables	–	48,545,108	48,545,108	48,545,108	–	–
Other payables and accruals	–	1,808,549	1,808,549	1,808,549	–	–
Bankers' acceptances	2.13	59,178,000	59,178,000	59,178,000	–	–
Bank overdrafts	6.04	883,365	883,365	883,365	–	–
Term loan	3.25	9,550,000	10,359,841	172,664	8,287,873	1,899,304
Lease liabilities	5.04	12,808,724	15,163,680	2,166,240	8,664,960	4,332,480
		132,773,746	135,938,543	112,753,926	16,952,833	6,231,784

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

35. FINANCIAL INSTRUMENTS (CONTINUED)

35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

(c) Liquidity Risk (continued)

Maturity Analysis (continued)

The following table sets out the maturity profile of the financial liabilities 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):- (continued)

	Contractual Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM
The Company				
2023				
Non-derivative Financial Liabilities				
Other payables and accruals	–	182,863	182,863	182,863
Amount owing to holding company	3.79 - 4.79	9,998,146	9,998,146	9,998,146
Financial guarantee contracts in relation to corporate guarantee given to subsidiaries	–	–	15,738,775	15,738,775
		10,181,009	25,919,784	25,919,784

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

35. FINANCIAL INSTRUMENTS (CONTINUED)

35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

(c) Liquidity Risk (continued)

Maturity Analysis (continued)

The following table sets out the maturity profile of the financial liabilities 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):- (continued)

	Contractual Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM
The Company				
2022				
Non-derivative Financial Liabilities				
Other payables and accruals	–	80,584	80,584	80,584
Amount owing to subsidiaries	3.79	4,626,990	4,626,990	4,626,990
Financial guarantee contracts in relation to corporate guarantee given to subsidiaries	–	–	69,611,365	69,611,365
		4,707,574	74,318,939	74,318,939

35. FINANCIAL INSTRUMENTS (CONTINUED)

35.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholders value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group includes within net debt, loans and borrowings from financial institutions less cash and cash equivalents. The debt-to-equity ratio of the Group at the end of the reporting period was as follows:-

	The Group	
	2023	**2022**
	RM	**RM**
Bankers' acceptances	5,140,000	59,178,000
Bank overdrafts	1,048,775	883,365
Lease liabilities	11,243,108	12,808,724
Term loan	9,550,000	9,550,000
	26,981,883	82,420,089
Less: Cash and bank balances	6,379,417	16,093,456
Less: Short-term deposits with licensed banks	48,687,542	24,070,348
Net debts	(28,085,076)	42,256,285
Total equity	107,134,934	78,583,275
Debt-to-equity ratio	N/A	0.54

There was no change in the Group's approach to capital management during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

35. FINANCIAL INSTRUMENTS (CONTINUED)

35.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Financial Assets				
Fair Value Through Profit or Loss				
Derivative assets (Note 16)	–	10,237	–	–
Amortised Cost				
Trade receivables (Note 12)	11,649,226	77,191,033	–	–
Other receivables and deposits (Note 13)	1,435,019	2,534,951	1,050	1,893
Amount owing by subsidiaries (Note 14)	–	–	16,700,857	13,801,006
Cash and bank balances	6,379,417	16,093,456	33,772	129,856
Short-term deposits with licensed banks (Note 15)	48,687,542	24,070,348	1,550,000	–
	68,151,204	119,900,025	18,285,679	13,932,755

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

35. FINANCIAL INSTRUMENTS (CONTINUED)

35.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONTINUED)

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Financial Liabilities				
Fair Value Through Profit or Loss				
Derivative liabilities (Note 16)	5,799	–	–	–
Amortised Cost				
Trade payables (Note 22)	20,072,390	48,545,108	–	–
Other payables and accruals (Note 23)	3,057,769	1,808,549	182,863	80,584
Amount owing to holding company (Note 24)	9,998,146	–	9,998,146	–
Amount owing to subsidiaries (Note 14)	–	–	–	4,626,990
Bankers' acceptances (Note 21)	5,140,000	59,178,000	–	–
Bank overdrafts (Note 21)	1,048,775	883,365	–	–
Term loan (Note 19)	9,550,000	9,550,000	–	–
Lease liabilities (Note 20)	11,243,108	12,808,724	–	–
	60,115,987	132,773,746	10,181,009	4,707,574

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

35. FINANCIAL INSTRUMENTS (CONTINUED)

35.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	The Group 2023 RM	The Group 2022 RM	The Company 2023 RM	The Company 2022 RM
Financial Assets				
Fair Value Through Profit or Loss				
Net losses recognised in profit or loss	–	(1,718,090)	–	–
Amortised Cost				
Net gains recognised in profit or loss	864,200	295,165	1,954,752	718,252
Financial Liabilities				
Fair Value Through Profit or Loss				
Net losses recognised in profit or loss	(16,036)	–	–	–
Amortised Cost				
Net losses recognised in profit or loss	(2,674,447)	(2,299,977)	(1,054,171)	(518,753)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

35. FINANCIAL INSTRUMENTS (CONTINUED)

35.5 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Group and of the Company which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments not Carried at Fair Value				
	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM	Total Fair Value RM	Carrying Amount RM
The Group								
2023								
<u>Financial Liabilities</u>								
Derivative liabilities:-								
- forward currency contracts	–	5,799	–	–	–	–	5,799	5,799
Term loan	–	–	–	–	9,550,000	–	9,550,000	9,550,000
2022								
<u>Financial Assets</u>								
Derivative assets:-								
- forward currency contracts	–	10,237	–	–	–	–	10,237	10,237
<u>Financial Liabilities</u>								
Term loan	–	–	–	–	9,550,000	–	9,550,000	9,550,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

35. FINANCIAL INSTRUMENTS (CONTINUED)

35.5 FAIR VALUE INFORMATION (CONTINUED)

Fair Value of Financial Instruments Carried at Fair Value

The fair values of forward currency contracts are determined by discounting the difference between the contractual forward prices and the current forward prices for the residual maturity of the contracts using a risk-free interest rate.

Fair Value of Financial Instruments Not Carried at Fair Value

The fair value of the Group's term loan that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rates on or near the reporting date.

There were no material transfers between level 1 and level 2 during the financial year.

36. COMPARATIVE FIGURES

The following figures have been reclassified to conform with the presentation of the current financial year:-

	The Group		The Company	
	As Previously Reported RM	As Restated RM	As Previously Reported RM	As Restated RM
Statements of Financial Position (Extract)				
Non-current assets				
Property, plant and equipment	49,483,058	14,967,773	–	–
Right-of-use assets	–	34,515,285	–	–
Current assets				
Trade and other receivables	80,160,907	–	13,821,233	–
Trade receivables	–	77,191,033	–	–
Other receivables, deposits and prepayments	–	2,969,874	–	20,227
Amount owing by subsidiaries	–	–	–	13,801,006
Cash and bank balances	40,163,804	16,093,456	–	–
Short-term deposits with licensed banks	–	24,070,348	–	–
Non-current liabilities				
Loans and borrowings	20,633,941	–	–	–
Long-term borrowings	–	9,390,833	–	–
Lease liabilities	–	11,243,108	–	–

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

36. COMPARATIVE FIGURES (CONTINUED)

The following figures have been reclassified to conform with the presentation of the current financial year:- (continued)

	The Group		The Company	
	As Previously Reported RM	As Restated RM	As Previously Reported RM	As Restated RM
Statements of Financial Position (Extract) (continued)				
Current liabilities				
Trade and other payables	54,017,408	–	4,707,574	–
Trade payables	–	48,545,108	–	–
Other payables and accruals	–	5,472,300	–	80,584
Amount owing to subsidiaries	–	–	–	4,626,990
Loans and borrowings	61,786,148	–	–	–
Short-term borrowings	–	60,220,532	–	–
Lease liabilities	–	1,565,616	–	–
Statements of Profit or Loss and Other Comprehensive Income (Extract)				
Cost of sales	(468,955,048)	(453,623,544)	–	–
Selling and distribution expenses	–	(15,331,504)	–	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

36. COMPARATIVE FIGURES (CONTINUED)

The following figures have been reclassified to conform with the presentation of the current financial year:- (continued)

	The Group		The Company	
	As Previously Reported RM	As Restated RM	As Previously Reported RM	As Restated RM
Statements of Cash Flows (Extract)				
Cash flow from/(for) operating activities				
Depreciation of property, plant and equipment	3,749,905	1,471,278	–	–
Depreciation of right-of-use assets	–	2,278,627	–	–
Increase in receivables	(74,161,097)	(74,456,436)	(6,165,967)	(844)
Increase/(Decrease) in payables	40,935,602	41,064,142	(6,081,398)	(76,880)
Cash flow for investing activities				
Purchase of property, plant and equipment	(2,171,378)	(415,683)	–	–
Addition of right-of-use assets	–	(1,755,695)	–	–
Net repayment from related companies	–	295,339	–	–
Net advances to subsidiaries	–	–	–	(6,165,123)
Cash flow (for)/from financing activities				
Net repayment to related companies	–	(128,540)	–	(92)
Net repayment to subsidiaries	–	–	–	(6,004,426)

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 PROXY

I/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 Twenty-Ninth Annual General Meeting of the Company, to be held at Xocolatt Hall, Ground Floor, Hotel Emas, Jalan Utara, 91000 Tawau, Sabah on Tuesday 27 June 2023 at 9.00 a.m. and at any adjournment thereof.

		For	Against
Resolution 1	To approve a first and final single-tier dividend of 5.0 sen per ordinary share for the financial year ended 31 January 2023.		
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 2024.		
Resolution 3	To re-elect Mr. Wong Peng Mun who retires by rotation as a Director of the Company pursuant to Article 91 of the Company's Constitution.		
Resolution 4	To re-elect Datuk Hong Ngit Ming 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. Crowe Malaysia PLT as auditors of the Company and authorise 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 ________________ 2023

CDS Account No:	
Number of Shares Held:	

____
Signature/Common Seal of Member

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%

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 2023, issued by Bursa Malaysia Depository Sdn. Bhd., will be entitled to attend and vote at the fully virtual 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.

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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)