



TECK GUAN PERDANA BERHAD

199401021418 (307097 - A)

UNAUDITED FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 JANUARY 2023

TECK GUAN PERDANA BERHAD

199401021418 (307097-A)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL PERIOD (4th quarter)		CUMULATIVE PERIOD	
	Current Year Quarter 31/01/2023 RM'000	Preceding Year Corresponding Quarter 31/01/2022 RM'000	Current Year Todate 31/01/2023 RM'000	Preceding Year Corresponding Period 31/01/2022 RM'000
Revenue	72,422	325,242	489,665	502,509
Cost of sales	(70,599)	(303,694)	(437,508)	(468,955)
Gross profit	1,823	21,548	52,157	33,554
Other operating expenses	(6,379)	(582)	(3,233)	(1,266)
Administrative expenses	(1,600)	(1,642)	(6,235)	(5,452)
Operating (loss)/profit	(6,156)	19,324	42,689	26,836
Interest income	373	118	864	295
Finance costs	(659)	(497)	(2,674)	(2,300)
(Loss)/profit before tax	(6,442)	18,945	40,879	24,831
Taxation	1,420	(3,768)	(11,124)	(5,100)
(Loss)/profit net of tax	(5,022)	15,177	29,755	19,731
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive (loss)/income for the period	(5,022)	15,177	29,755	19,731

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(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

	INDIVIDUAL PERIOD (4th quarter)		CUMULATIVE PERIOD	
	Current Year Quarter 31/01/2023 RM'000	Preceding Year Corresponding Quarter 31/01/2022 RM'000	Current Year Todate 31/01/2023 RM'000	Preceding Year Corresponding Period 31/01/2022 RM'000
(Loss)/profit attributable to:				
Owners of the Company	<u>(5,022)</u>	<u>15,177</u>	<u>29,755</u>	<u>19,731</u>
Total comprehensive (loss)/income attributable to:				
Owners of the Company	<u>(5,022)</u>	<u>15,177</u>	<u>29,755</u>	<u>19,731</u>
(Loss)/earnings per share attributable to owners of the Company:				
Basic, for the period (Sen)	(12.52)	37.85	74.21	49.21
Diluted, for the period (Sen)	na	na	na	na

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements of the Company for the year ended 31 January 2022 and the accompanying explanatory notes attached to the interim financial statements.

TECK GUAN PERDANA BERHAD

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(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As At End Of Current Quarter 31/01/2023 RM'000	As At Preceding Financial Year End 31/01/2022 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	61,904	37,541
Right-of-use assets	10,236	11,942
Deferred tax assets	869	1,307
	<u>73,009</u>	<u>50,790</u>
Current Assets		
Biological assets	451	458
Inventories	32,648	47,431
Trade and other receivables	13,166	80,161
Cash and bank balances	55,067	40,164
Derivatives	-	10
Tax recoverable	110	-
	<u>101,442</u>	<u>168,224</u>
TOTAL ASSETS	<u><u>174,451</u></u>	<u><u>219,014</u></u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	40,104	40,104
Retained earnings	67,032	38,480
Total Equity	<u>107,136</u>	<u>78,584</u>
Non-Current Liabilities		
Term Loan	7,640	9,391
Deferred tax liabilities	4,109	3,859
Lease liabilities	9,597	11,243
	<u>21,346</u>	<u>24,493</u>
Current Liabilities		
Loans and borrowings	8,099	60,220
Trade and other payables	33,243	54,017
Derivative	6	-
Lease liabilities	1,646	1,566
Income tax payable	2,975	134
	<u>45,969</u>	<u>115,937</u>
TOTAL LIABILITIES	<u>67,315</u>	<u>140,430</u>
TOTAL EQUITY & LIABILITIES	<u><u>174,451</u></u>	<u><u>219,014</u></u>
NET ASSETS PER SHARE (SEN)	267.19	195.98

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements of the Company for the year ended 31 January 2022 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to owners of the Company →		Equity, Total RM'000
	Non-distributable	Distributable	
	Share Capital RM'000	Retained Earnings RM'000	
Opening balance at 1 February 2022	40,104	38,480	78,584
Total comprehensive income for the period	-	29,755	29,755
Dividend	-	(1,203)	(1,203)
Closing balance at 31 January 2023	<u>40,104</u>	<u>67,032</u>	<u>107,136</u>
Opening balance at 1 February 2021			
- as previously reported	40,104	20,116	60,220
- prior year adjustment	-	(1,367)	(1,367)
Total comprehensive income for the year	-	19,731	19,731
Closing balance at 31 January 2022	<u>40,104</u>	<u>38,480</u>	<u>78,584</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements of the Company for the year ended 31 January 2022 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current Year To Date 31/01/2023 RM'000	Preceding Year Corresponding Period 31/01/2022 RM'000
Operating activities		
Profit before taxation	40,879	24,831
<u>Adjustments for:</u>		
Amortisation of biological assets	615	338
Gain on disposal of property, plant and equipment	(3)	(2)
Depreciation of property, plant and equipment	3,733	3,412
Property, plant and equipment written off	1	1
Net fair value loss on forward currency contracts	16	(2)
Net fair value gain on commodity future contracts	-	(875)
Net unrealised gain on foreign exchange	(630)	(794)
Net fair value gain on biological assets	7	(163)
Inventories written down	-	71
Inventories written off	-	19
Prepayment written off	-	1,917
Interest income	(864)	(295)
Interest expense	2,674	2,300
Total adjustments	<u>5,549</u>	<u>5,927</u>
Operating cash flows before changes in working capital	46,428	30,758
<u>Changes in working capital:</u>		
Inventories	14,783	(21,432)
Trade and other receivables	66,957	(74,161)
Trade and other payables	(20,773)	40,936
Total changes in working capital	<u>60,967</u>	<u>(54,657)</u>
Cash flows generated from/(used in) operations	107,395	(23,899)
Interest paid	(2,674)	(2,300)
Interest received	864	295
Income tax paid	(8,116)	(5,338)
Income tax refunded	411	196
Net cash flows generated from/(used in) operating activities	<u>97,880</u>	<u>(31,046)</u>

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	Current Year To Date 31/01/2023 RM'000	Preceding Year Corresponding Period 31/01/2022 RM'000
Investing activities		
Purchase of property, plant and equipment	(21,075)	(65)
Plantation development expenditure	(5,936)	(2,106)
Proceeds from disposal of property, plant and equipment	7	1
Net cash flows used in investing activities	<u>(27,004)</u>	<u>(2,170)</u>
Financing activities		
Dividend paid	(1,203)	-
Drawdown of letter of credits	28,578	73,132
Repayment of letter of credits	(28,578)	(79,382)
Proceeds from bankers' acceptances	139,764	212,723
Repayment of bankers' acceptances	(193,802)	(184,560)
Repayment of lease liabilities	(1,566)	(1,489)
Net cash flows (used in)/generated from financing activities	<u>(56,807)</u>	<u>20,424</u>
Net increase/(decrease) in cash and cash equivalents	<u>14,069</u>	<u>(12,792)</u>
Effect of exchange rate changes on cash and cash equivalents	668	515
Cash and cash equivalents at beginning of the year	39,281	51,558
Cash and cash equivalents at end of the year	<u>54,018</u>	<u>39,281</u>
	As At 31/01/2023	As At 31/01/2022
*Cash and cash equivalents at end of the year consists of:		
Cash and bank balances	55,067	40,164
Bank overdrafts	(1,049)	(883)
	<u>54,018</u>	<u>39,281</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements of the Company for the year ended 31 January 2022 and the accompanying explanatory notes attached to the interim financial statements.

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NOTES TO INTERIM FINANCIAL STATEMENTS

1. Basis of preparation

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

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 January 2022. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 January 2022.

2. Accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 31 January 2022 except for the following Amendments to MFRSs during the current financial period:

Description	Effective for annual periods beginning on or after
Annual Improvements to MFRS Standards 2018–2020	1 January 2022
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022

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

2. Accounting policies (continued)

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

Description	Effective for annual periods beginning on or after
MFRS 17: Insurance Contracts and Amendments to MFRS 17	1 January 2023
Amendments to MFRS 17: Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023
Amendments to MFRS 101 and MFRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-Current	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
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 101: Non-Current Liabilities with Covenants	1 January 2024

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

3. Audit report

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

4. Seasonal and cyclical factors

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

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

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

6. Changes in estimates

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

7. Debt and equities securities

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

8. Dividend paid

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

9. Segmental reporting

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

	Palm Oil Products RM'000	Cocoa Products RM'000	Consolidated RM'000
Revenue	471,466	18,199	489,665
Results			
Segment results	43,478	1,300	44,778
Unallocated corporate expenses			(1,225)
Finance cost			(2,674)
Profit before tax			<u>40,879</u>
Assets			
Segment assets	147,876	24,898	172,774
Unallocated assets			<u>1,677</u>
			<u>174,451</u>
Liabilities			
Segment liabilities	55,104	406	55,510
Unallocated liabilities			<u>11,805</u>
			<u>67,315</u>
Other information			
Capital expenditure	20,953	122	21,075
Depreciation	3,549	184	3,733
Amortisation	615	-	615

9. Segmental reporting (continued)

Palm Oil Products

The palm oil products segment remained the Group's main source of revenue, which contributed 91.68% of the revenue of the Group in the current quarter.

For the quarter under review, revenue for this segment decreased to RM66.40 million from RM322.02 million in the preceding year corresponding quarter. The decrease was mainly attributed to the decrease in both sales volume and selling price.

Palm oil products segment has recorded an operating loss of RM5.99 million as compared to operating profit of RM16.40 million in the preceding year corresponding quarter. The decrease was primarily attributed to a decrease in operating margin.

Cocoa Products

Cocoa products segment contributed 8.32% to the revenue of the Group as compared to 0.99% in the preceding year corresponding quarter.

10. Changes in composition of the Group

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

11. Discontinued operation

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

12. Capital commitment

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

13. Contingent liabilities

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

14. Material related party transactions

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

	12 months 31 January RM'000
Purchase of palm kernel	129,810
Purchase of palm oil related products	15,588
Purchase of fertilizers, chemicals, etc.	2,767
Rental on factory building and infrastructures	2,307
Sales of crude palm kernel oil	361,887
Sales of palm oil related products	16,044
Sales of fresh fruit bunches	11,405
Sales of palm kernel expeller	642
Sales of cocoa powder	627
Sales of chocolate products	2,073
Insurance expenses	841
Interest expenses	915

15. Subsequent Events

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

16. Review of Group's Performance

	INDIVIDUAL PERIOD (4th quarter)		Changes %	CUMULATIVE PERIOD		Changes %
	Preceding Year			Preceding Year		
	Current Year	Corresponding		Current Year	Corresponding	
	Quarter	Quarter		Todate	Period	
	31/01/2023	31/01/2022		31/01/2023	31/01/2022	
	RM'000	RM'000		RM'000	RM'000	
Revenue	72,422	325,242	-78%	489,665	502,509	-3%
Gross profit	1,823	21,548	-92%	52,157	33,554	55%
Operating (loss)/profit	(6,156)	19,324	-132%	42,689	26,836	59%
(Loss)/profit before tax	(6,442)	18,945	-134%	40,879	24,831	65%
(Loss)/profit net of tax	(5,022)	15,177	-133%	29,755	19,731	51%
(Loss)/profit attributable to ordinary equity holders of the Parent	(5,022)	15,177	-133%	29,755	19,731	51%

For the current quarter under review, revenue for the Group decreased by 78% from RM325.24 million to RM72.42 million as compared with preceding year corresponding quarter. The decrease was mainly attributed to the decrease in both sales volume and selling price. Furthermore, the Group turned from an operating profit of RM19.32 million to an operating loss of RM6.16 million compared with preceding year corresponding quarter, the decrease was mainly attributed to the decrease in operating margin.

17. Comment On Material Changes In Profit Before Tax

	Current Quarter 31/01/2023 RM'000	Immediate Preceding Quarter 31/10/2022 RM'000	Changes %
Revenue	72,422	136,240	-47%
Gross profit	1,823	30,489	-94%
Operating (loss)/profit	(6,156)	31,644	-119%
(Loss)/profit before tax	(6,442)	31,158	-121%
(Loss)/profit net of tax	(5,022)	22,541	-122%
(Loss)/profit attributable to ordinary equity holders of the Parent	(5,022)	22,541	-122%

The Group registered a loss before tax of RM6.44 million as compared with a profit before tax of RM31.16 million in the immediate preceding quarter. The decrease was primarily attributed to the decrease in operating margin in the current quarter.

18. Next Year 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.

19. Profit Forecast

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

20. Profit Before Tax

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

	Quarter Ended 31/01/2023 RM'000	Year-to-date 31/01/2023 RM'000
Interest Income	(373)	(864)
Interest Expenses	659	2,674
Rental Income	(62)	(266)
Depreciation and amortisation	1,164	4,348
Net loss/(gain) on foreign exchange		
- realised	5,541	4,225
- unrealised	825	(630)
Rental of premises	11	45
Rental of equipment	26	96

21. Taxation

	Current Quarter 31/01/2023 RM'000	Year-To-Date 31/01/2023 RM'000
Taxation for the current period	(881)	10,436
Deferred taxation for the current period	(539)	688
	<u>(1,420)</u>	<u>11,124</u>

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

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

23. Quoted Securities

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

24. Corporate Proposals

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

25. Loans and borrowings

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

	As at 31/01/2023 RM'000	As at 31/01/2022 RM'000
Current		
Secured:		
Bankers' acceptances	5,140	59,178
Term loan	1,910	159
Lease liabilities	1,646	1,566
	8,696	60,903
Unsecured:		
Bank overdrafts	1,049	883
	9,745	61,786
Non-current		
Secured:		
Term loan	7,640	9,391
Lease liabilities	9,597	11,243
	17,237	20,634
Total	26,982	82,420

26. Derivatives

Type of derivative	Contract/ notional amount as at 31/01/2023 RM'000	Fair value liabilities as at 31/01/2023 RM'000
Non-hedging derivatives		
Forward currency contracts - Less than 1 year	3,257	(6)
	3,257	(6)

The Group uses forward currency contracts to manage some of the transaction exposures. These contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with currency transactions exposure and fair value changes exposure. Such derivative does not qualify for hedge accounting.

Forward currency contracts are used to hedge the Group's sales denominated in EUR for which from commitments existed at reporting date.

27. Financial Instruments

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

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

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

Functional currency of the Group	United States Dollar RM'000	Euro RM'000	Total RM'000
Trade and other receivables	10,458	-	10,458
Cash and bank balances	25,125	-	25,125
Trade and other payables	(128)	(196)	(324)
Total	35,455	(196)	35,259

28. Material Litigation

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

29. Dividends

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

30. Earnings Per Share

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

	Current Year Quarter 31/01/2023	Preceding Year Corresponding Quarter 31/01/2022	Current Year Todate 31/01/2023	Preceding Year Corresponding Period 31/01/2022
(Loss)/profit for the period (RM'000)	(5,022)	15,177	29,755	19,731
Weighted average number of ordinary shares in issue ('000)	40,097	40,097	40,097	40,097
Basic (loss)/earnings per share (Sen)	<u>(12.52)</u>	<u>37.85</u>	<u>74.21</u>	<u>49.21</u>

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

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

31. Authorisation for issue

The unaudited interim financial statements were authorised for issue by the Board of Directors on 28 March 2023.