TECK GUAN PERDANA BHD
(307097-A)

Annual Report 2015

CONTENTS

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-First Annual General Meeting of the Members of the Company will be held at the Theobroma Conference Room, First Floor, Hotel Emas, Jalan Utara, 91000 Tawau, Sabah on Thursday, 30 July 2015 at 9.00 a.m. to transact the following:-

AGENDA

1. To receive the Audited Financial Statements for the year ended 31 January 2015 together with the Reports of the Directors and Auditors thereon. **(Refer to Explanatory Note A)** (Resolution 1)

2. To approve Directors' fees amounting to RM36,000 for the year ended 31 January 2015. (Resolution 2)

3. To re-elect Mr. Tang Amiy @ Tang Ah Mei who retires as a Director of the Company pursuant to Article 93 of the Company's Articles of Association. (Resolution 3)

4. To re-elect Mr. Wong Peng Mun who retires as a Director of the Company pursuant to Article 93 of the Company's Articles of Association. (Resolution 4)

5. To re-appoint Messrs Ernst & Young 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 as Ordinary Resolutions respectively:-

6. ORDINARY RESOLUTION

CONTINUATION IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR – MR.THAM VUI VUN (Resolution 6)

"THAT authority 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 his office as an independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting in accordance to the Malaysian Code on Corporate Governance 2012 " **(Refer to Explanatory Note B)**

7. ORDINARY RESOLUTION

APPROVAL FOR ISSUANCE OF NEW ORDINARY SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965 (Resolution 7)

"THAT, subject always to the Companies Act, 1965, the Articles of Association of the Company and approvals of the relevant authorities, the Directors be and are hereby empowered pursuant to Section 132D of the Companies Act, 1965 to issue new ordinary shares of RM1.00 each in the Company, from time to time and upon such terms and conditions and for such purposes and to such 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 issued and paid-up share capital for the time being of the Company AND THAT the Directors of the Company 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 such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

NOTICE OF ANNUAL GENERAL MEETING

8. ORDINARY RESOLUTION

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR EXISTING RECURRENT RELATED PARTY TRANSACTIONS (Resolution 8)

"THAT subject to the Companies Act, 1965, the Memorandum and Articles of Association of the Company and Bursa Malaysia Securities Berhad Main Market Listing Requirements, approval be and is hereby given to the Company and its subsidiaries to enter into the recurrent related party transactions of a revenue or trading nature as set out in Section 3.2 (A) of the circular to shareholders dated 3 July 2015 [hereinafter referred to as "the Circular"] with the related parties mentioned therein be and is hereby renewed provided that:

(a) the transactions are in the ordinary course of business and on normal commercial terms which are 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; and

(b) disclosure of the breakdown of the aggregate value of the recurrent related party transactions conducted during the financial year will be made in the annual report based on the following information:

   (i) the type of recurrent transactions made; and
   (ii) the names of the related parties involved in each type of the recurrent transactions made and their relationship with the Company.

AND THAT the authority granted by such renewed mandate is subject to annual renewal and shall continue to be in force until :

(i) the conclusion of the next Annual General Meeting of the Company following the forthcoming Annual General Meeting at which the Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions will be tabled;

(ii) the expiration of the period within which the next Annual General Meeting of the Company is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (but shall not extend to such extensions as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); 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."

9. To transact any other business for which due notice has been given in accordance with the Company's Articles of Association and the Companies Act, 1965.

NOTICE OF ANNUAL GENERAL MEETING

BY ORDER OF THE BOARD

CHAN KIN DAK @ TAN KIN DAK (MAICSA 7006379)
TAN GHEE KIAT (MICPA 811)
T.V. SEKHAR A/L T.G. VENKATESAN (MICPA 1371)
Company Secretaries

Tawau, Sabah.
Dated this 3 July 2015

EXPLANATORY NOTES:-

NOTE A
This agenda item is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders for the audited financial statements. As such, this item is not put forward for voting.

NOTE B
Mr. Tham Vui Vun had served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years. The Board holds the view that he remains objective and independent in carrying out his role and responsibility as a member of the Board and Board Committees. The length of his service does not interfere with his ability and exercise of independent judgment as Independent Director. Therefore, the Board has recommended that the approval of the shareholders be sought for him to continue to act as the Independent Non-Executive Director of the Company.

NOTES:-

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint proxy/proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1) (b) of the Companies Act, 1965 shall not apply to the Company. 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.

   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.

2. 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, not less than 48 hours before the time for holding the Meeting.

3. A member shall be entitled to appoint more than one proxy to attend and vote at the same meeting, provided that the provisions of Section 149(1) (c) of the Companies Act, 1965 are complied with.

4. Where a member appoints more that one proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

5. If the appointor is a corporation, the proxy form must be executed under its Common Seal or under the hand of its attorney.

6. A depositor shall not be regarded as a member entitled to attend this general meeting and to speak and vote thereat unless his/her name appears in the Register of Members and/or Record of Depositors as at 14 July 2015 (which is not less than 3 market days before the date of this meeting) issued by Bursa Malaysia Depository Sdn. Bhd ["Bursa Depository"] upon request by the Company in accordance with the rules of the Bursa Depository.

NOTICE OF ANNUAL GENERAL MEETING

7. Explanatory Notes on Special Business

(i) Ordinary Resolution (Resolution 7)

The Ordinary Resolution proposed under Resolution 7 of the Agenda is a renewal of the General Mandate for the Directors to issue and allot shares pursuant to Section 132D of the Companies Act, 1965. The Ordinary Resolution proposed is in line with the Company's expansion plan, which may involve the issuance of new shares (other than bonus or rights issues) for purposes of funding investments, working capital and /or acquisitions. Under the Companies Act, 1965, the Directors would have to call for a general meeting to approve the issuance of new shares even though the number of shares involved is less than 10% of the issued capital of the Company for the time being. In order to avoid any delay and costs involved in convening a general meeting, it is thus considered appropriate to seek shareholders' approval for the Directors to issue shares (other than bonus or rights issues) in the Company up to an aggregate amount not exceeding 10% of the issued capital of the Company for the time being and also empower the Directors to obtain approval from the Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued.

This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company. As at the date of this notice, no new shares of the Company were issued pursuant to the mandate granted to the directors at the last Annual General Meeting held on 31 July 2014 and which will lapse at the conclusion of the forthcoming Annual General Meeting and the directors of the Company do not intend to raise funds from the general mandate sought last year.

(ii) Ordinary Resolution (Resolution 8)

The proposed resolution is in relation to Renewal of Shareholders' Mandate for Existing 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 3 July 2015 for more information.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

No individual is seeking election as a director at the 21st Annual General Meeting.

CORPORATE INFORMATION

DIRECTORS	Tham Vui Vun (Chairman and Independent Non-Executive Director) Datuk Hong Ngit Ming (Managing Director) Tang Amiy @ Tang Ah Mei (Executive Director) Fung Hiuk Bing (Independent Non-Executive Director) Wong Peng Mun (Independent Non-Executive Director)
AUDIT COMMITTEE	Tham Vui Vun (Chairman) Fung Hiuk Bing Wong Peng Mun
COMPANY SECRETARIES	Chan Kin Dak @ Tan Kin Dak (MAICSA 7006379) Tan Ghee Kiat (MICPA 811) T.V. Sekhar A/L T.G. Venkatesan (MICPA 1371)
REGISTERED OFFICE	318, Teck Guan Regency Jalan St. Patrick, Off Jalan Belunu 91000 Tawau, Sabah Tel : 6089 - 772 275 Fax : 6089 - 761 052 Email: majulahkoko@teckguan.com
AUDITORS	Ernst & Young Chartered Accountants
BANKERS	RHB Bank Berhad HSBC Bank Malaysia Berhad Malayan Banking Berhad Hong Leong Bank Berhad
SOLICITOR	Ting, Rosen & Co Liew Hon Min & Co Alex Pang & Co Ho Chong Yong
REGISTRAR	Bina Management (M) Sdn Bhd Lot 10, The Highway Centre, Jalan 51/205 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia Tel : 603 - 7784 3922 Fax : 603 - 7784 1988
STOCK EXCHANGE LISTING	Bursa Malaysia Securities Berhad (Main Market)
STOCK SHORT NAME	Tecguan
STOCK CODE	7439
SECTOR	Industrial Products
WEBSITE	www.teckguan.com/tgp

FINANCIAL HIGHLIGHTS OF THE GROUP

	2015 RM'000	2014 RM'000
RESULTS OF OPERATIONS		
Revenue	264,052	202,257
Pre-tax (Loss) / Profit	(710)	8,666
After-tax (Loss) / Profit	(2,055)	7,006
Financial Position		
Working Capital	1,437	8,871
Net Assets	75,094	77,149
Total Tangible Assets	176,013	152,657
Paid-up Capital	40,097	40,097
Shareholders' Funds	75,094	77,149
Dividend		
Final (Paid)	0	0
Cover (Times)	0	0
Per Share (in Sen)		
Net Assets	187.3	192.4
(Loss) / Profit before tax*	(1.8)	21.6
(Loss) / Profit after tax*	(5.1)	17.5
Dividend – Final (gross)	0	0

* Calculated based on 40,096,902 (2014: 40,096,902) ordinary shares in issue throughout the financial year.

CORPORATE STRUCTURE

TECK GUAN PERDANA BERHAD
Company No. 307097-A

**Tawau Cocoa Estate Sdn Bhd
(100 %)**

**Majulah Koko Tawau Sdn Bhd
(100 %)**

**Cacao Paramount Sdn Bhd
(100%)**

DIRECTORS' PROFILES

MR. THAM VUI VUN

Age : 58

Nationality : Malaysian (Chinese)

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

Position : Chairman and Independent Non-Executive Director

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 new Chairman on 15 April 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 V.V. Tham & Co since 1998.

Occupation : Auditor

Date first appointed to the board : 15 November 2001

Details of any board committee appointment :
Audit Committee – Chairman
Remuneration Committee – Chairman
Nomination Committee – Chairman
Risk Management Committee – Member

Directorship of other public companies : NIL

Family relationship within any directors and/or major shareholder of the company : NIL

Conflict of interest with company : NIL

List of convictions for offences with the past 10 years other than traffic offence : NIL

Number of board meetings attended in the financial year : 4/4

DIRECTORS' PROFILES

DATUK HONG NGIT MING

Age : 62

Nationality : Malaysian (Chinese)

Qualification :
Attended the Imperial College of Science, Technology and Medicine, University of London in 1976. Obtained Bachelor of Science (Honours) degree in Electrical Engineering and Associate of Electrical Engineering of City & Guilds Society. He is a Chartered Engineer of the Institute of Electrical Engineers, United Kingdom.

Position : Managing Director

Working Experience :
He was appointed the Deputy Executive Chairman of Teck Guan Perdana Bhd 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. He has in-depth exposure and practical experience in many fields and businesses including agriculture, processing, manufacturing, mining, milling, property development and international trade. Due to the foregoing and his strong scientific background, he has vast exposure of all aspects of the cocoa business from cultivation to processing to research. In addition, he has also contributed a great deal in the cocoa industry in Malaysia when he pioneered "The Zero-Shade Cocoa Planting", which revolutionised the entire cocoa cultivation industry. He has in the year 2002, published the second edition of his works entitled "Development History of Zero-Shade Cocoa And Its Theories-Let there be Light". Being deeply involved in all technical aspects of cocoa, he is in constant contact with both local and international cocoa researchers. He also has in-depth exposure and practical experience in oleochemical refinery of palm oil based fatty alcohol and fatty acid, oil palm cultivation and palm oil mills. He currently sits on the Board of Teck Guan Perdana Bhd's subsidiaries, and several other private companies within the Teck Guan Holdings Group.

Occupation : Director

Date first appointed to the board : 18 June 1996

Details of any board committee appointment : NIL

Directorship of other public companies : NIL

Family relationship within 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.

Conflict of interest with company : NIL

List of convictions for offences with the past 10 years other than traffic offence : NIL

Number of board meetings attended in the financial year : 2/4

DIRECTORS' PROFILES

MR. TANG AMIY @ TANG AH MEI

Age : 68

Nationality : Malaysian (Chinese)

Qualification :
Past member of the Institute of Management U.K

Position : Executive Director

Working Experience :
He was appointed to the Board of Teck Guan Perdana Bhd on 18 June 1996. He is the Group Corporate Planner of the Teck Guan Holdings Sdn Bhd's Group of Companies since 1980. Prior to 1980, he had worked in two international accounting firms for more than five (5) years. He has more than 25 years experience in corporate planning and restructuring, mergers and acquisitions, finance, fund investment, joint ventures, corporate R & D, financing, business contracts and corporate advisory services. He is currently responsible for the Group's corporate planning, corporate research and development, fund investment and financing requirements. He joined Teck Guan Perdana Bhd as Executive Director on 1 July 1996. He currently sits on the Board of Teck Guan Perdana Bhd's subsidiaries and several other private limited companies within the Teck Guan Holdings Group.

Occupation : Director

Date first appointed to the board : 18 June 1996

Details of any board committee appointment : NIL

Directorship of other public companies : NIL

Family relationship within any directors and/or major shareholder of the company : NIL

Conflict of interest with company : NIL

List of convictions for offences with the past 10 years other than traffic offence : NIL

Number of board meetings attended in the financial year : 2/4

DIRECTORS' PROFILES

MR. FUNG HIUK BING

Age : 46

Nationality : Malaysian (Chinese)

Qualification :
Bachelors of Business from Edith Cowan University, Australia
Fellow member of CPA Australia
Fellow member of Chartered Tax Institute of Malaysia (FCTIM)
Chartered Accountant of the Malaysian Institute of Accountants (MIA)
Licensed Company Auditors and a Section 153 Licensed Tax Agent.

Position : Independent Non-Executive Director

Working Experience :
He started his career in 1993 as an Audit Assistant with KPMG. In 1997, he joined Kao Yang (M) Sdn Bhd as an Accountant. In 2003, he started his practice in accounting. In 2007, he has obtained his Company Auditors' and Tax Agent licenses and auditing and tax services were added to his practice namely HB Fung & Co (Audit Firm No. AF 001919), Tawau, Sabah. He was appointed as an Independent and Non-Executive Director of Teck Guan Perdana Bhd on 19 December 2013. He has more than 20 years of working experience in both accounting and auditing fields.

Occupation : Auditor

Date first appointed to the board : 19 December 2013

Details of any board committee appointment :
Risk Management Committee – Chairman
Audit Committee – Member
Remuneration Committee – Member
Nomination Committee – Member

Directorship of other public companies : NIL

Family relationship within any directors and/or major shareholder of the company : NIL

Conflict of interest with company : NIL

List of convictions for offences with the past 10 years other than traffic offence : NIL

Number of board meetings attended in the financial year : 4/4

DIRECTORS' PROFILES

MR. WONG PENG MUN

Age : 55

Nationality : Malaysian (Chinese)

Qualification :
Bsc (Hons) in Physics, Diploma in management, Licenced Secretary (LS 003897)

Position : Independent Non-Executive Director

Working Experience :
He was appointed as an Independent and Non-Executive Director of Teck Guan Perdana Bhd on 5 December 2008. He has more than 20 years of working experience in both secretarial and auditing fields. Worked as Audit Senior with Ernst & Young secretarial firm since 1998 till present under Konsep Bisnes.

Occupation : Director

Date first appointed to the board : 5 December 2008

Details of any board committee appointment :
Audit Committee – Member
Remuneration Committee – Member
Nomination Committee – Member
Risk Management Committee – Member

Directorship of other public companies : NIL

Family relationship within any directors and/or major shareholder of the company : NIL

Conflict of interest with company : NIL

List of convictions for offences with the past 10 years other than traffic offence : NIL

Number of board meetings attended in the financial year : 4/4

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE AUDITED FINANCIAL STATEMENTS

The Board of Directors is required under Paragraph 15.26 (a) of the Bursa Malaysia Securities Berhad Main Market Listing Requirements 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 2015 are drawn up in accordance with the provisions of the Companies Act, 1965, 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, 1965 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.

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors of Teck Guan Perdana Bhd, 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 2015.

Financial Performance

For the year ended 31 January 2015, the Group registered a turnover of RM264.1 million, representing an increase of 30.6% as compared to RM202.3 million in the preceding year. The higher turnover was mainly attributed to increase in revenue from trading of palm oil products.

The Group registered a loss after tax of RM2.1 million as compared with a profit of RM7.0 million in the preceding year mainly due to the lower operating margin achieved.

Operations Review

(a) Oil Palm Products:

During the year under review, all planted areas under oil palm segment of the Group have attained maturity, with average crop age of 13 years. Fresh fruit bunches yield registered a decrease of approximately 4%. The sales volume for crude palm kernel oil had registered an increase of approximately 9% while the sales volume for palm kernel expeller registered a decrease of 18% as compared with preceding year.

The operating profit for palm oil products segment decreased from RM11.3 million in the preceding year to RM2.8 million in the current year. The decrease was mainly attributed to decrease in operating margin for palm oil products.

(b) Cocoa Products:

The operating profit for cocoa products segment increased from RM0.778 million in the preceding year to RM1.1 million in the current year. The increase was mainly attributed to increase in operating margin for cocoa products.

The cocoa products segment is viewed to remain uncertain and the management will adopt a cautious view in the operation of this segment.

Sustainability Overview

The Group has ensured that our operations are carried out in an environmentally friendly manner and to ensure long term sustainability. These include:-

- Providing good housing and amenities for both staff and estate workers;
- Upgrading road system and drainage with regular maintenance;
- Minimizing chemical usage on oil palm areas where necessary;
- Provide staff with regular training to develop and retain human capital;
- Provide safety measures and insurance cover to our workers;
- Install and operate environment protection measures as required in guidelines provided by Environment Protection Department (EPD).
- Continued protection of wild life species.

CHAIRMAN'S STATEMENT

Dividend

The Board did not recommend any dividend for the financial year ended 31 January 2015.

Prospects

While the Group is closely monitoring the global market on palm oil products, the management remains cautiously positive in the operation of the Group for the next financial year.

Appreciation

On behalf of the Board, I would like to express our thanks and appreciation to our valued customers as well as our business associates, suppliers and stakeholders for their continued support. I also wish to record my sincere appreciation to my fellow Board members, the management team and employees for their ongoing dedication and invaluable contribution to the Group over the years.

THAM VUI VUN
Chairman

REPORT OF THE AUDIT COMMITTEE

The Directors are pleased to present the Audit Committee Report of the Company in respect of the financial year ended 31 January 2015.

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

CONSTITUTION

1. The Committee was established by the Board on 15 June 1996.

COMPOSITION

2. The members of the Audit Committee are as follows:

Chairman

Mr. Tham Vui Vun, MIA 3667	Independent Non-Executive Director

Committee members

Mr. Fung Hiuk Bing, MIA 11342	Independent Non-Executive Director
Mr. Wong Peng Mun	Independent Non-Executive Director

MEMBERSHIP

3. The Committee shall be appointed by the Board from amongst the directors of the Company and shall consist of not less than three members. All members of the Committee must be non-executive directors, with a majority being independent directors. At least one member of the Audit Committee shall be a member of the Malaysian Institute of Accountants or one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967 or must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967.

4. The Chairman of the Committee shall be an independent non-executive director appointed by the Board and the Secretary of the Committee shall be the Company Secretary.

5. If a member of the Committee resigns, dies, or for any reason ceases to be a member which results in the number of members being reduced to below 3, the Board of Directors shall, within 3 months of that event, appoint such number of new members as may be required to make up the minimum number of 3 members.

6. The term of office and performance of the Audit Committee and each of its members shall be reviewed by the Board at least once every 3 years to determine whether the Audit Committee and each of its members have carried out their duties in accordance with their terms of reference.

AUTHORITY

7. In accordance with procedures to be determined by the Board and at the cost of the Company, the Audit Committee shall
   (a) have authority to investigate any matter within its terms of reference;
   (b) have the resources which are required to perform its duties;
   (c) have full and unrestricted access to any information pertaining to the Company;
   (d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;
   (e) be able to obtain independent professional or other advice; and
   (f) be able to convene meetings with external auditors and internal auditors, excluding the attendance of the executive board members, other directors and employees of the Group whenever deemed necessary.

   Notwithstanding the above, the Committee does not have executive powers and shall report to the Board on matters considered and its recommendations thereon, pertaining to the Company and the Group.

REPORT OF THE AUDIT COMMITTEE

REPORTING OF BREACHES TO THE BURSA MALAYSIA SECURITIES BERHAD

8. Where the Audit Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Bursa Malaysia Listing Requirements, the Audit Committee must promptly report such matter to the Bursa Malaysia Securities Berhad.

FUNCTIONS

9. The Audit Committee shall, amongst others, discharge the following functions:-

   (1) review the following and report the same to the Board:-

      (a) with regard to the external auditors:-
         (i) review their external audit plan, their evaluation of the systems of internal controls, their audit report and management letters, the major findings and management's responses, the assistance given by the employees of the Company to the external auditors;
         (ii) consider the appointment, resignation or termination of external auditors and their audit fee;
         (iii) prior to the commencement of audit, to discuss with the external auditors the nature and scope of audit;
         (iv) ensure that Management has in place an adequate system of risk management and internal control to safeguard shareholders' interests and the Company's assets.

      (b) with regard to the internal audit function:-
         (i) review the adequacy of the scope, functions and competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;
         (ii) review the internal audit programme, audit plan and results of the internal audit processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
         (iii) review any appraisal or assessment of the performance or members of the internal audit function;
         (iv) approve any appointment or termination of senior staff members of the internal audit function;
         (v) be informed of any resignations of internal audit staff members and provide the resigning staff an opportunity to submit his reasons for resigning;
         (vi) discuss any audit issues with the head of internal audit department separately with the presence of Management.

      (c) any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;

      (d) ensure that Management has in place an adequate system of risk management and internal control to safeguard shareholders' interests and the Company's assets;

      (e) the quarterly results and year-end financial statements, prior to the approval by the Board, focusing particularly on:-
         (i) changes in or implementation of major accounting policy changes;
         (ii) significant and unusual events;
         (iii) compliance with accounting standards and other legal requirements;
         (iv) significant adjustments arising from the audit;
         (v) the going concern assumption.

10. The quorum for meetings of the Audit Committee shall be two and the majority of members present must be Independent Non-Executive Directors. Any decision shall be by a simple majority. The Chairman of the Committee shall report on each meeting to the Board.

11. Other Board members and employees shall attend Audit Committee meetings only at the invitation of the Committee. The external auditors are normally invited to attend meetings as and when necessary. However, twice a year, the Committee shall meet with the external auditors without the presence of any other directors and employees of the Company.

REPORT OF THE AUDIT COMMITTEE

PROCEEDINGS AT MEETINGS

12. If at any meeting the Chairman is not present within 10 minutes after the time appointed for holding the meeting, or is unwilling to act, the Members present may choose one of their numbers who is an Independent Non-Executive Director to be Chairman of the meeting.

13. Save as is otherwise provided, the Committee shall meet, adjourn or otherwise regulate its meetings and proceedings as it thinks fit. Questions arising at any meeting shall be agreed to by all the members present at the meeting, each member having one (1) vote. In the event of there being no unanimous decision, the matter concerned shall be referred to the Board of Directors.

14. A resolution signed by all members of the Audit Committee for the time being present in Malaysia shall be as effective as a resolution passed at a meeting of the Committee duly convened and held. Any such resolution may consist of several documents in the same form and each signed by one or more members of the Audit Committee.

FREQUENCY OF MEETINGS

15. Meetings shall be held not less than twice a year although additional meetings may be convened at any time at the discretion of the Chairman of the Committee. The external auditors and internal auditors may request for a meeting if they consider that it is necessary.

REPORTING PROCEDURES

16. The Secretary of the Committee shall give notice of the meeting including the agenda together with all relevant documents to all members of the Committee prior to the meeting. The draft minutes shall be circulated to the Committee for comment. Minutes of each meeting shall be kept and distributed to each member of the Committee and of the Board. Any persons who may be required to attend shall also be notified by the Secretary accordingly.

REPORT OF THE AUDIT COMMITTEE

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

The activities of the Audit Committee in the discharge of its functions and duties in respect of the financial year under review included:

(1) review of the quarterly reports prior to the submission to the Board for approval;
(2) review the internal audit report with the internal auditors at its meetings;
(3) review the related party transactions;
(4) review the Group's annual financial statements prior to the submission to the Board for approval;
(5) review the Company's Annual Report;
(6) review the Audit Plan with the external auditors.

SUMMARY OF ACTIVITIES OF THE INTERNAL AUDIT FUNCTION

During the financial year under review, the internal audit in-house department has conducted audit work on comparison of prices of purchase of palm kernels from related companies, sales of fresh fruit bunches (FFB) 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% of more. The findings and recommendations were discussed with the management and Audit Committee for remedial actions. No fee was incurred for the internal audit function during the financial year.

AUDIT COMMITTEE ATTENDANCE RECORD OF AUDIT COMMITTEE MEETINGS

A total of four (4) Audit Committee meetings were held during the financial year ended 31 January 2015. In the intervals between Audit Committee meetings, matters requiring urgent Audit Committee decision, approvals are sought via circular resolutions signed by all members, which are supported with sufficient information required to make an informed decision. The details of attendance of the Committee members are as follows:-

Name of Directors	Position	26 March 2014	27 June 2014	26 Sept 2014	18 Dec 2014	Total
Tham Vui Vun	Independent Non-Executive Chairman & Chairman of Audit Committee	l	l	l	l	4
Wong Peng Mun	Independent Non-Executive Director	l	l	l	l	4
Fung Hiuk Bing	Independent Non-Executive Director	l	l	l	l	4

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Teck Guan Perdana Berhad is committed to excellence in corporate governance standards at all times in conducting the business affairs of the Group with integrity, accountability and transparency which are 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 statement provides information about Teck Guan Perdana Berhad's corporate governance practices during the 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 Recommendations as set out in the Malaysian Code on Corporate Governance 2012 ("MCCG 2012") issued by the Securities Commission.

(A) BOARD OF DIRECTORS

Board Charter

The Board has adopted a Board Charter which ensures all Board members in their discharge of duties are guided by it. It ensures all Board members collectively and individually are aware of their roles and responsibilities in conducting the business affairs of the Group.

The details of the Board Charter are published in the Company's website at www.teckguan.com/tgp.

Board Composition

During the financial year, the Board has five (5) members comprising an independent Non- Executive Chairman, a Managing Director, one (1) Executive Director and two (2) Independent Non-Executive Directors.

The composition reflects more than one-third of its members who are independent. The present Board composition separates the positions of Chairman who is an Independent Non-Executive Director and Managing Director as recommended by the MCCG 2012. The Board is made up of Directors who are qualified and well experienced in various fields including engineering, agriculture and accountancy. The Board will continue to monitor and review the Board size and composition as may be needed. The profiles of the Directors are found in the Directors' profile of this Annual Report.

Role and Responsibilities of the Board

The Board takes full responsibility for the overall performance of the Company and the Group by setting the vision and objectives and by directing the policies, strategic action plans and stewardship of the Group's resources. With the vast experiences of the board members, the Board has discharged its duties and responsibilities competently. It focuses mainly on strategic direction, establishing goals, financial performance and critical business issues. The main responsibilities of the Board comprise the following:-

(a) Reviewing and adopting, approving and monitoring the implementation of the strategic plan by management for the company;
(b) Overseeing that the conduct of the Company's business is being properly managed and sustained;
(c) Identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures to manage these risks;
(d) Ensuring appropriate succession planning programmes for senior management positions are in place;
(e) Ensuring that the Group has a communications policy with its shareholders and other stakeholders;

(f) Reviewing the adequacy and the integrity of the management information and internal controls of the Company to ensure compliance on internal controls and regulatory compliance;
(g) Appointing and approving the Board Committees and members, and its terms of reference;
(h) Approving the recommendations from the Remuneration Committee concerning the remuneration packages of the Directors (both Executive and Non-executive) of the Company subject to shareholders' approval;
(i) Approving the directors' fee/remuneration arrangements for Non-executive directors;
(j) Approving the remuneration structure and policy for Managing Director and Executive Directors and senior management;
(k) Reviewing and approving the reports and recommendations from the Audit Committee, the Risk Management Committee, the Nomination Committee and the Remuneration Committee;
(l) Ensuring that board members observe and comply with the Code of Ethics at all times;
(m) Approving the annual budget and significant capital expenditure;
(n) Approving the quarterly announcement and quarterly financial statements to shareholders and the public, annual directors' report and statutory accounts;
(o) Reviewing and approving delegated authority limits;
(p) Assessing Company's performance against Board approved budgets, targets and strategies;
(q) Protection of shareholders' interest/value and ensuring the Company's strategic direction provides value to its shareholders;
(r) Maintain good corporate governance standards;
(s) Considering and reviewing the social, ethical and environmental impact of the Group's activities and determining, monitoring and reviewing standards and policies to guide the Group ("Company and its subsidiaries") in this regard.

The positions of Chairman and Managing Director shall be held by different individuals, and the Chairman shall be an independent non-executive member of the Board. The responsibilities of the Chairman include leading the Board in the oversight of management, while the Managing Director focuses on the business and day-to-day management of the Company. There is a clear distinction between the roles and responsibilities of the Board, Chairman and Managing Director.

The Chairman plays a crucial leadership role in ensuring that the Board works effectively whilst the Managing Director is responsible to the Board for the day-to-day management of the Company and Group with all powers, discretions and delegations authorised from time to time by the Board.

The Managing Director is assisted in the management of the business by its Executive Directors and 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. Generally, the Executive Directors are responsible for the day-to-day management of the business.

The non-executive directors are independent of management and have no relationship that could materially interfere with the exercise of their independent judgement. The non-executive directors are actively involved in various Board committees. They could provide the relevant checks and balances, focusing on shareholders' and other stakeholders' interests and ensuring that high standards of corporate governance are applied. Where a potential conflict of interest may arise, the Director concerned shall declare his interest and abstain from Board deliberations and voting.

Board Meetings

The Board met four (4) times during the financial year. Details of each Director's attendance at Board meetings are found in the Directors' profile of this Annual Report. Additional meetings are also convened as and when necessary to deliberate and decide on urgent matters. Upon invitation, management's representatives would be present at the Board meetings to provide additional insight into matters to be discussed during the Board meetings. In intervals between Board meetings, certain matters requiring urgent Board decision, Board approvals are sought via circular resolutions, which are supported with sufficient information required to make an informed decision.

CORPORATE GOVERNANCE STATEMENT

Supply of Information

All Board members are supplied with information in a timely manner. Prior to each Board meeting, all directors are provided with the agenda in sufficient time for their review and action. 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 Joint Company Secretaries.

The Joint Companies Secretaries support the Board in carrying out its roles and responsibilities by ensuring adherence to procedure and regulatory requirements, Board policies and procedures. Directors can seek independent professional advice, where necessary in appropriate circumstances at the Company's expense. Directors also have direct access to the advice and the services of the Joint Company Secretaries and other senior management within the Group in discharging their duties. Directors have unlimited access to the information pertaining to the Group. The Board is regularly updated by the Company Secretaries on any new changes to the Bursa Malaysia Securities Berhad Main Market Listing Requirements. The appointment and removal of the Joint Companies Secretaries is a matter for the Board as a whole. The Board scrutinizes the management's performance and quality, reliability and transparency of information provided by management to facilitate sound decision-making.

Directors' Training

All directors have attended the Mandatory Accreditation Program (MAP) organised by the Bursa Malaysia Securities Berhad. The Company will continue to identify suitable training for the Directors to equip and update themselves with the necessary knowledge in discharging their duty and responsibilities as Directors.

During the financial year, with the exception of Mr. Tang Amiy @ Tang Ah Mei, an Executive Director who has not attended any training courses due to work commitments during the financial year and will make great efforts to attend seminars, conferences to update his knowledge in his area of expertise and to keep abreast with the development in the industry and the regulations of the relevant authorities, all the Directors attended seminars and conference on the following:

Title of Training	Type of Training	No of days spent
34^{th} Programme Advisory Committee (PAC) Meeting	-	5 days
Understanding of GST and Updates in Malaysia	Seminar	2 days
Corporate Tax Issues for 2014	Seminar	1 day
Goods & Services Tax (GST) – A Preparatory Course for GST Consultants and Accounts – Session 1	Seminar	3 days
Goods & Services Tax (GST) – A Preparatory Course for GST Consultants and Accounts – Session 11	Seminar	3 days
National Tax Conference 2014	Conference	2 days
National Tax Seminar 2014	Seminar	1 day
The 2015 Budget Seminar	Seminar	1 day
Transactions By Director	Seminar	1 day
Corporate Cessation: Voluntary Winding-Up and Striking Off Under the Companies Act 1965.	Seminar	1 day
MySoft's GST Practical Accounting Treatment Workshop	Seminar	2 days
GST Tawau seminar	Seminar	1 day

CORPORATE GOVERNANCE STATEMENT

Re-election of Directors

Under the Articles of Association, at least one third of the Directors shall retire and be eligible for re-election by rotation at each Annual General Meeting. All directors (including the Managing Director) are to retire from office at least once in three years but shall be eligible for re-election. Directors over the age of seventy (70) years are subject to re-appointment annually in accordance to Section 129(6) of the Companies Act, 1965. Directors appointed by the board during the financial year shall be subject to retirement and re-election by shareholders in the next Annual General Meeting held following their appointments.

The tenure of an independent director should not exceed a cumulative term of nine years. Mr. Tham Vui Vun is an Independent Non-executive Director of the Company who has served the Company for more than nine years. In line with the Malaysian Code on Corporate Governance 2012, the Nomination Committee has assessed and the independence of Mr. Tham Vui Vun as defined in Bursa Securities Listing Requirements has not been compromised all these while. In fact, he has been bringing his independent and objective judgment to the board deliberations and decision making process. He has devoted sufficient time and attention to his responsibility and exercise due care in the interest of the Company and shareholders during his tenure as Independent Non-Executive Director. The length of his service does not interfere with his ability and exercise of independent judgement as an Independent Director. To that, the Board recommends Mr. Tham Vui Vun to continue his office as an Independent Non-Executive Director once he is re-appointed according to the respective resolution put forth in the forthcoming Annual General Meeting.

The Board should undertake an assessment of its independent directors annually. Directors should notify the Chairman before accepting any new directorship. The notification should include an indication of time that will be spent on the new appointment.

The performance of those Directors who are subject to re-appointment and re-election at the next annual general meeting are assessed by the Nomination Committee whereupon recommendations are submitted to the Board for decision on the tabling of the proposed re-appointment and re-election of the Directors concerned for shareholders' approval.

Board Committees

The Board, in discharging its fiduciary duties, is assisted by the following Board Committees, each entrusted with specific tasks:-

1. **Audit Committee** – Further details are presented in the Audit Committee Report of this Annual Report.

2. Nomination Committee

TERMS OF REFERENCE OF NOMINATION COMMITTEE

CONSTITUTION
1. The Committee was established by the Board on 31 March 2003.

COMPOSITION
2. The members of the Nomination Committee are as follows:

Chairman	
Mr. Tham Vui Vun, MIA 3667	Independent Non-Executive Director
Committee members	
Mr. Fung Hiuk Bing, MIA 11342	Independent Non-Executive Director
Mr. Wong Peng Mun	Independent Non-Executive Director

CORPORATE GOVERNANCE STATEMENT

MEMBERSHIP

3. The Committee shall be appointed by the Board from amongst the Directors of the Company and shall consist of not less than three members. All members of the Committee must be independent non-executive Directors.

   If a member of the Committee resigns, dies, or for any reason ceases to be a member which results in the number of members being reduced to below 3, the Board of Directors shall, within three (3) months of that event, appoint such number of new members as may be required to make up the minimum number of 3 members. The Chairman of the Committee shall be an independent non-executive appointed by the Board.

FREQUENCY OF MEETINGS

4. Meetings are held as and when necessary. Other Board members and employees shall attend Committee meetings only at the invitation of the Committee.

QUORUM

5. The quorum of the meeting shall be two (2). If within half an hour from the time appointed for the meeting, a quorum is not present, the meeting shall be dissolved.

PROCEEDINGS AT MEETINGS

6. (a) In the absence of the Chairman, the Nomination Committee shall appoint one of the Independent Non-Executive members present to chair the meeting.

   (b) Questions arising at any meeting shall be decided by a majority of vote of the members present, each member having one (1) vote. In the case of an equality of votes, the Chairman shall be entitled to a casting vote in addition to the vote which he is entitled as a member.

   (c) A resolution signed by all members of the Nomination Committee for the time being present in Malaysia shall be as effective as a resolution passed at a meeting of the Committee duly convened and held. Any such resolution may consist of several documents in the same form and each signed by one or more members of the Nomination Committee.

DUTIES

7. (a) To nominate and recommend suitable candidates for appointment to the Board such that the required mix, skills, experience, independence and other qualities including core competencies, level of commitment, resources and time that the recommended Non-Executive Directors bring to the Board.

   (b) To nominate and recommend qualified Directors to be Audit Committee members and sit on Board Committee from time to time.

   (c) To consider candidates for directorships proposed by the Managing Director's office and within bounds of practicability by any other senior executive or any Director or shareholder.

   (d) To annually assess the effectiveness of the Board and contribution of each Director.

   (e) To recommend to the Board whether Directors who are retiring by rotation in accordance with its Articles of Association or re-appointment in accordance with the Companies Act, 1965 should be put forward for re-election/re-appointment at annual general meetings.

   (f) To ensure an appropriate framework and plan for Board and management succession.

   (g) To determine the appropriate board size and number of Non-Executive participation in order to comply with the Bursa Malaysia Securities Berhad.

   (h) On Boardroom diversity, the Nominating Committee should take steps to ensure that women candidates are sought as part of its recruitment exercise.

   (i) To ensure all the new Directors participate in the Directors' induction and training programmes as stipulated by the Bursa Malaysia Securities Berhad Listing Requirements.

CORPORATE GOVERNANCE STATEMENT

LINE OF AUTHORITY

8. Nomination Committee does not have the delegated authority from the Board to implement the recommendations but is obliged to report its recommendation to the Board of Directors for its consideration and implementation. The actual decision as to who shall be nominated is the responsibility of the Board of Directors after considering the recommendations of the Committee.

REPORTING PROCEDURES

9. The Company Secretary shall be the Secretary of the Committee. The Secretary shall circulate the minutes of meetings of the Nomination Committee to all members of the Board.

The Committee's primary responsibility is making formal and transparent recommendations for any appointments to the Board including those of subsidiary companies. In making these recommendations, the Committee will consider the required mix of skills, experience, and independence; disclose his existing directorships and other qualities including core competences, level of commitment, resources and time that the recommended Non-Executive Directors bring to the Board. The performance of those Directors who are subject to re-appointment and re-election at the forthcoming Annual General Meeting are assessed by the Nomination Committee whereupon recommendations are submitted to the Board for decision on the tabling of the proposed re-appointment and re-election of the Directors concerned for shareholders' approval. During the financial year, the Nomination Committee has assessed annually each individual Director of the Board and its Board Committee. The Committee will review the assessment criteria for its effectiveness. The Board will be setting its gender diversity policies and target in the near future. However, presently the Company has no female member on its Board.

3. Remuneration Committee

TERMS OF REFERENCE OF REMUNERATION COMMITTEE

CONSTITUTION

1. The Committee was established by the Board on 31 March 2003.

COMPOSITION

2. The members of the Remuneration Committee are as follows:

Chairman	
Mr. Tham Vui Vun, MIA 3667	Independent Non-Executive Director
Committee members	
Mr. Fung Hiuk Bing, MIA 11342	Independent Non-Executive Director
Mr. Wong Peng Mun	Independent Non-Executive Director

MEMBERSHIP

3. The Committee shall be appointed by the Board from amongst the Directors of the Company and shall consist of not less than three members. All members of the Committee must be independent non-executive Director.

   If a member of the Committee resigns, dies, or for any reason ceases to be a member which results in the number of members being reduced to below 3, the Board of Directors shall, within three (3) months of that event, appoint such number of new members as may be required to make up the minimum number of 3 members. The Chairman of the Committee shall be an independent non-executive appointed by the Board.

FREQUENCY OF MEETINGS

4. Meetings are held as and when necessary. Other Board members and employees shall attend Committee meetings only at the invitation of the Committee.

CORPORATE GOVERNANCE STATEMENT

QUORUM

5. The quorum of the meeting shall be two (2). If within half an hour from the time appointed for the meeting, a quorum is not present, the meeting shall be dissolved.

PROCEEDINGS AT MEETINGS

6. (a) In the absence of the Chairman, the Remuneration Committee shall appoint one of the Non-Executive members present to chair the meeting.

   (b) Questions arising at any meeting shall be decided by a majority of vote of the members present, each member having one (1) vote. In the case of an equality of votes, the Chairman shall be entitled to a casting vote in addition to the vote which he is entitled as a member.

   (c) A resolution signed by all members of the Remuneration Committee for the time being present in Malaysia shall be as effective as a resolution passed at a meeting of the Committee duly convened and held. Any such resolution may consist of several documents in the same form and each signed by one or more members of the Remuneration Committee.

DUTIES

7. (a) To review the annual remuneration packages of each individual Director (both Executive and Non-Executive) such that the levels of remuneration are sufficient to attract and retain the Directors needed to run the Company successfully; and

   (b) To recommend to the Board the remuneration packages including bonuses and increments of the Directors (both Executive and Non-Executive) of the Company are reflective of the contribution and performance of each individual Director. Non-Executive Directors' fees are subject to the approval of the shareholders.

   (c) To consider any other matters as referred to the Committee by the Board.

INTEREST OF REMUNERATION COMMITTEE MEMBERS

8. Should not participate or be involved in the deliberations or discussions of their own remuneration.

REPORTING PROCEDURES

9. The Company Secretary shall be the Secretary of the Committee. The Secretary shall circulate the minutes of meetings of the Remuneration Committee to all members of the Board.

The primary responsibilities of the Committee are to develop for the Board, the Groups' remuneration policy and benefits for both Executive and Non-Executive Directors. Individual Directors play no part in deciding their own remunerations. There were no meetings held during the financial year. Fees payable to Non-Executive Directors are determined by the Board with the approval from shareholders at the Annual General Meeting.

4. Risk Management Committee

TERMS OF REFERENCE OF RISK MANAGEMENT COMMITTEE

CONSTITUTION

1. The Committee was established by the Board on 23 December 2003.

COMPOSITION

2. The members of the Risk Management Committee are as follows:

Chairman	
Mr. Fung Hiuk Bing, MIA 11342	Independent Non-Executive Director
Committee members	
Mr. Tham Vui Vun, MIA 3667	Independent Non-Executive Director
Mr. Wong Peng Mun	Independent Non-Executive Director

CORPORATE GOVERNANCE STATEMENT

MEMBERSHIP

3. The Committee shall be appointed by the Board from amongst the Directors of the Company and shall consist of not less than three members. All members of the Committee must be independent non-executive Director.

   If a member of the Committee resigns, dies, or for any reason ceases to be a member which results in the number of members being reduced to below 3, the Board of Directors shall, within three (3) months of that event, appoint such number of new members as may be required to make up the minimum number of 3 members.

FREQUENCY OF MEETINGS

4. Meetings are held as and when necessary. The Managing Director and the Financial Controller and Head of accounting department, executive director(s), Head of operations and functional managers shall always be invited to attend meetings of the Committee. The Committee may also request counsels and external consultants to attend Committee meetings as necessary to carry out the Committee's duties and responsibilities.

QUORUM

5. The quorum of the meeting shall be two (2). If within half an hour from the time appointed for the meeting, a quorum is not present, the meeting shall be dissolved.

PROCEEDINGS AT MEETINGS

6. (a) In the absence of the Chairman, the Committee shall appoint one of the members present to chair the meeting.

   (b) Questions arising at any meeting shall be decided by a majority of vote of the members present, each member having one (1) vote. In the case of an equality of votes, the Chairman shall be entitled to a casting vote in addition to the vote which he is entitled as a member.

   (c) A resolution signed by all members of the Committee for the time being present in Malaysia shall be as effective as a resolution passed at a meeting of the Committee duly convened and held. Any such resolution may consist of several documents in the same form and each signed by one or more members of the Committee.

DUTIES AND RESPONSIBILITIES

7. (a) The Committee will formulate policies of the Group to eliminate or minimize corporate and operational risks of the Group and shall report all its recommendations to the Board for approval.

   (b) To ensure the overall effectiveness of the Company's risk management and internal control systems through establishing, directing and supervising the operation of a risk management framework, risk management strategies, risk tolerance and limits that adequately manages the various risks faced by the Company and its subsidiaries ("Group").

   (c) To develop the risk management policies and procedures which include:-
   - Identification of risks;
   - Evaluate and prioritise risks;
   - Managing risks through control, sharing or transferring, avoidance, modification or acceptance.

   (d) To provide a forum to discuss and exchange ideas related to the major risks facing the Group and its impact.

   In this respect, the Financial Controller and head of accounting, the Heads of the Operating Divisions and the corporate departments will be directed to identify, evaluate and prioritise the strategic risks that may affect the achievement of its objectives. Such risks and the mitigation strategies shall be presented for the consideration by the Committee. The Committee is then to report all its recommendations to the Board.

(e) To review the regular reports furnished on the key risks profile developed and signed off by the Financial Controller and head of accounting, head of operating units and functional managers. The adequacy of the internal control procedures in managing the key operational risks will be assessed and discussed at the Committee meeting.

(f) To maintain a database or risk register on the major strategic and operational business risks identified through the risk assessment processes. The database risk record shall capture specific risk information, existing internal control procedures, the overall risk evaluation in terms of the likelihood of their occurrence and the severity of impact, management action plan and agreed timeline.

(g) To periodically monitor and reassess the key business risks facing the Group and the effectiveness of the internal controls in managing such risks.

REPORTING PROCEDURES

8. The Company Secretary shall be the Secretary of the Committee. The Secretary shall circulate the minutes of the meetings of the Committee to all members of the Board.

9. There were no meetings held during the financial year.

(B) DIRECTORS' REMUNERATION

The Directors' remuneration is to attract and retain Directors of the caliber needed to run the Group successfully. Presently, the fees of Directors, including Non-Executive Directors, are endorsed by the Board for approval by the shareholders of the company at the AGM.

The details of remuneration receivable by directors of the Company during the year are as follows:

	Group		Company	
	Executive Directors	Non-Executive Directors	Executive Directors	Non-Executive Directors
Directors' fees	-	36,000	-	36,000
Salaries & other emoluments	311,663	-	309,263	-
Defined contribution plan	31,983	-	31,827	-
Bonus	19,429	-	19,429	-
Social security contribution	-	-	-	-
Benefits-in-kind	14,684	-	14,684	-
Total	377,759	36,000	375,203	36,000

The number of Directors of the Company whose total remuneration during the financial year fell within the following bands:

Director Remuneration	Executive Director(s)	Non-Executive Director(s)
Below RM50,000	-	3
RM50,001 to RM100,000	1	-
RM100,001 to RM150,000	-	-
RM150,001 to RM200,000	1	-

The Company does not consider disclosure of details of remuneration of each Director to be appropriate.

CORPORATE GOVERNANCE STATEMENT

(C) RELATIONSHIP WITH SHAREHOLDERS

Relationship with Shareholders and Investors

The Company recognises the importance of establishing a direct line of communication with shareholders and investors. Shareholders are kept informed of all material business matters affecting the Group through timely disclosures to Bursa Malaysia Securities Berhad and publications in the company's website (www.teckguan.com/tgp). Shareholders and investors can access information on the Company's background, business activities, social responsibility, annual reports, financial performance and shareholders' rights in the Company's website. Dissemination of information includes distribution of Annual Report and relevant circulars.

In addition, the Company makes a timely release of the Group's quarterly results within two months from the close of a particular quarter, as stipulated by the Listing Requirements of Bursa Malaysia Securities Berhad. Members of the public can obtain the full financial results and the Company's announcements from Bursa Malaysia Securities Berhad's website and the company's website.

Annual General Meeting ("AGM") and Extraordinary General Meeting ("EGM")

The Annual General Meeting (AGM) is the principal forum for dialogue with shareholders. The chairman shall inform shareholders of their right to demand a poll to vote for substantive resolutions at the commencement of the general meeting. At the AGM, shareholders have direct access to the Board and are encouraged to ask questions during the proceedings. The shareholders are given the opportunity to seek clarification on any matters pertaining to the business and financial performance of the Company. In an effort to encourage greater shareholders' participation at AGMs, the Board takes cognisance in serving longer than the required minimum notice for AGMs, where possible. The Chairman and the Board encourage shareholders to attend and participate in the AGM and EGM. The Board endeavors to ensure that all Board members, the external auditors and financial adviser are also present at the Company's AGMs to answer questions raised at the meeting. Extraordinary General Meetings ("EGMs") are held as and when required. The Board will evaluate the feasibility of employing electronic means for poll voting. However, the Board is of the view that with the current level of shareholders' attendance at AGM, voting by way of a show of hands continues to be efficient.

Any queries or concerns with regards to the Group may be addressed to the following person(s):

Chan Kin Dak @ Tan Kin Dak, Company Secretary
Tang Amiy @ Tang Ah Mei, Executive Director
Tel No: 6089-772275
Fax No: 6089-761052

(D) ACCOUNTABILITY AND AUDIT

Financial Reporting

In presenting the annual financial statements and quarterly announcements to shareholders, the Directors aim to present a true and fair view and balanced and understandable assessment of the state of affairs of the Company and the Group. These financial statements are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved Financial Reporting Standards in Malaysia.

The Audit Committee assists the Board in ensuring accuracy and adequacy of information by reviewing and recommending to the Board for approval.

Internal Control

The Board is responsible for maintaining a sound system of internal control to safeguard shareholders' investment and the Company's assets. The Statement on Risk Management and Internal Control is explained in greater detail in this Annual Report and provides the overview of the internal control framework adopted by the Group during the financial year.

Relationship with the External Auditors

The Company has established a formal and transparent arrangement with the Company's auditors in seeking their professional advice thereby ensuring compliance with the accounting standards and other related regulatory requirements. The external auditors are invited to attend the Audit Committee meetings and annual general meetings. The Internal Audit Department communicates regularly with the members of the Audit Committee and attends all meetings of the Audit Committee. Further information on internal audit function is set out in the Audit Committee Report.

(E) CODES AND POLICIES

Code of Ethics and Conduct

The Board periodically reviews and amends this Company's Code of Ethics and Conduct ("the Code") which applies to Directors, officers and employees of the Group to reflect changes to the Company's policies and procedures. A summary of the Code has been published in the corporate website.

Corporate Disclosure Policy

The Company is committed to provide shareholders and investors with comprehensive, accurate and quality information on a timely and even basis. Timely and complete disclosure of material information is critical towards building and maintaining corporate credibility, investor trust and confidence. This policy 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. The policy applies to all Company's Directors, management, officers and employees of the Group.

CORPORATE GOVERNANCE STATEMENT

ADDITIONAL COMPLIANCE INFORMATION IN ACCORDANCE WITH PARAGRAPH 9.25 OF THE LISTING REQUIREMENTS OF THE BURSA MALAYSIA SECURITIES BERHAD AS SET OUT IN APPENDIX 9C.

1. Material Contracts

   During the financial year under review, save as disclosed in the sections under Recurrent Related Party Transactions set out in this Annual Report, the Company and its subsidiaries do not have any material contracts involving the interests of its Directors and major shareholders. There were no contracts relating to loans entered by the Company and its subsidiary involving the directors and major shareholders' interests.

2. Share Buyback

   The Company does not have a share buy-back program in place.

3. Options, or Convertible Securities

   No options or convertible securities in the Company were issued or exercised during the financial year. The Company does not have these schemes in place during the financial year.

4. American Depository Receipt ("ADR") or Global Depository Receipt (GDR) Program

   The Company does not have any ADR or GDR programme in place.

5. Imposition of Sanctions / Penalties

   There were no sanctions and/or penalties imposed on the Company and its subsidiaries, directors or management by the relevant regulatory bodies during the financial year.

6. Non-Audit Fees

   There was no amount paid or is payable to the external auditors, Messrs. Ernst & Young, for non-audit related works.

7. Profit Estimate, Forecast and Projections

   The Company did not release any profit estimate, forecast or projections for the financial year.

8. Variation in Results

   There is no variance of 10% or more between the audited results for the financial year and the unaudited results previously announced.

9. Profit Guarantee

   There were no profit guarantees subsisting during the financial year.

10. **Revaluation Policy on Landed Properties**

The accounting policy of the Company is to revalue its landed properties and biological assets at regular intervals whenever the fair value of the re-valued assets is expected to differ materially from their carrying amount.

11. **Corporate Social Responsibility**

During the financial year which has been challenging, the Company has not carried out any activity related to community projects though the Company made great effort to maintain employment of its staff and workforce.

12. **Recurrent Related Party Transactions of a Revenue Nature**

At the last Annual General Meeting of the Company held on 31 July 2014, the Company had obtained a Mandate from its shareholders to allow the Company and/or its subsidiaries to enter into Recurrent Related Party Transactions of a Revenue or Trading nature ("Recurrent Transactions"). In accordance with Paragraph 10.09(2)(b) of Bursa Securities Main Market Listing Requirements, details of the recurrent Transactions conducted during the financial year ended 31 January 2015 pursuant to the said Shareholders' Mandate were as follows:

Name of Companies	Related Parties	Nature of Recurrent Transactions	Aggregate Value of Transactions made During the Financial Year (RM)
Cacao Paramount Sdn Bhd	Evergreen Intermerge Sdn Bhd	Electricity and water charges paid	3,689,565
Cacao Paramount Sdn Bhd	Teck Guan Industries Sdn Bhd	Rental Paid	2,166,144
Cacao Paramount Sdn Bhd	Teck Guan (China) Ltd	Sale of crude palm kernel oil	93,289,895
Cacao Paramount Sdn Bhd	Golden Calf Ltd	Sale of crude palm kernel oil	28,644,512
Cacao Paramount Sdn Bhd	Atlantica Sdn Bhd	Purchase of palm kernel	12,898,170
Cacao Paramount Sdn Bhd	Brantian Palm Oil Sdn Bhd	Purchase of palm kernel	16,316,283
Cacao Paramount Sdn Bhd	Konsep Muktamad Sdn Bhd	Purchase of palm kernel	15,016,588
Cacao Paramount Sdn Bhd	Sungai Burung Industries Sdn Bhd	Purchase of palm kernel	23,394,613
Cacao Paramount Sdn Bhd	Prosperous Sebatik Sdn Bhd	Purchase of palm kernel	10,574,267
Cacao Paramount Sdn Bhd	Crystal Tower Shipping Sdn Bhd	Freight and handling charges	497,692
Tawau Cocoa Estate Sdn Bhd	Konsep Muktamad Sdn Bhd	Sales of oil palm FFB	2,217,723
Tawau Cocoa Estate Sdn Bhd	Sungai Burung Industries Sdn Bhd	Sales of oil palm FFB	5,803,762
Tawau Cocoa Estate Sdn Bhd	Teck Guan Trading Sdn Bhd	Purchase of fertilizers, chemical & parts	118,417
Tawau Cocoa Estate Sdn Bhd	Bestbricks (Sabah) Sdn Bhd	Purchase of fertilizers, chemical & parts	1,613,257
Tawau Cocoa Estate Sdn Bhd	Teck Guan Industries Sdn Bhd	Purchase of fertilizers, chemical & parts	99,517
Majulah Koko Tawau Sdn Bhd	Teck Guan Trading Sdn Bhd	Sales of cocoa and chocolate products	1,782,980

CORPORATE GOVERNANCE STATEMENT

Details on the Related Parties

1. Evergreen Intermerge Sdn Bhd is 100% owned by Teck Guan Holdings Sdn Bhd. Teck Guan Holdings Sdn Bhd is 100% owned by HTG Holdings Sdn Bhd (HTG).

2. Teck Guan Industries Sdn Bhd is 100% owned by Teck Guan Holdings Sdn Bhd. Teck Guan Holdings Sdn Bhd is 100% owned by HTG.

3. Teck Guan (China) Ltd is 100% owned by Teck Guan Harmony Sdn Bhd. Teck Guan Harmony Sdn Bhd is 95.24% owned by Teck Guan Holdings Sdn Bhd which is 100% owned by HTG.

4. Golden Calf Ltd is 100% owned by Dura Pisifera Sdn Bhd. Dura Pisifera Sdn Bhd is 100% owned by Teck Guan Holdings Sdn Bhd. Teck Guan Holdings Sdn Bhd is 100% owned by HTG.

5. Atlantica Sdn Bhd is 100% owned by Teck Guan Holdings Sdn Bhd. Teck Guan Holdings Sdn Bhd is 100% owned by HTG.

6. Brantian Palm Oil Sdn Bhd is 100% owned by Teck Guan Holdings Sdn Bhd. Teck Guan Holdings Sdn Bhd is 100% owned by HTG.

7. Konsep Muktamad Sdn Bhd is 100% owned by Teck Guan Holdings Sdn Bhd. Teck Guan Holdings Sdn Bhd is 100% owned by HTG.

8. Sungai Burung Industries Sdn Bhd is 100% owned by Teck Guan Holdings Sdn Bhd. Teck Guan Holdings Sdn Bhd is 100% owned by HTG.

9. Prosperous Sebatik Sdn Bhd is 26.6% owned by Teck Guan Holdings Sdn Bhd and 73.4% owned by HTG. Teck Guan Holdings Sdn Bhd is 100% owned by HTG.

10. Crystal Tower Shipping Sdn Bhd is 49% owned by Teck Guan Holdings Sdn Bhd. Teck Guan Holdings Sdn Bhd is 100% owned by HTG.

11. Teck Guan Trading Sdn Bhd is 100% owned by Teck Guan Holdings Sdn Bhd. Teck Guan Holdings Sdn Bhd is 100% owned by HTG.

12. Bestbricks (Sabah) Sdn Bhd is 100% owned by Teck Guan Holdings Sdn Bhd. Teck Guan Holdings Sdn Bhd is 100% owned by HTG.

Datuk Hong Ngit Ming, by virtue of his directorship and indirect interest in shares of Teck Guan Perdana Bhd (TGP) and being Director of HTG which is the holding company of TGP, is deemed interested in the Recurrent Transactions. HTG is the holding company or ultimate holding company of the Related Parties and is therefore deemed a person connected to the Directors of TGP.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board is pleased to provide the following Statement on Risk Management and Internal Control ("the Statement") pursuant to paragraph 15.26(b) of the Bursa Malaysia Securities Berhad Main Market Listing Requirements ("Main Market Listing Requirements") which outlines the nature and state of risk management and internal control of the Group for the financial year ended 31 January 2015. The external auditors have reviewed this Statement as required under paragraph 15.23 of the Main Market Listing Requirements and have reported to the Board that nothing has come to their attention that causes them to believe that the Statement is inconsistent with their understanding of the process the Board has adopted in the review of the adequacy and integrity of the risk management and internal control system of the Group.

Board Responsibilities
The Board affirms its overall responsibility for the establishment of the Group's system of internal control and risk management practices for good corporate governance. The system of 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 internal control, the Board recognises that the Group's system of 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 Board recognises risk management as an integral part of business operations. The risk management framework with its appropriate controls help to identify, evaluate and mitigate such risks faced by the Group. The Group has set up a Risk Management Committee which evaluates business risk profile and formulates action plans. The Risk Management Committee will review and submit recommendations to the Board for action to ensure adequacy of the system of risk management and internal control.

Internal Control System
Some key aspects of the Group's system of internal control are as follows:-

- The Audit Committee monitors the effectiveness of the entire Group's system of internal control. Audit Committee comprises of all non-executive directors, majority of whom are independent and hold regular meetings throughout the financial year. The current composition of members, with at least one who is a member of an accounting association or body, brings with them a wide variety of experience from different fields and background. Members have full access to both the internal and external auditors during the financial year.

- Audit Committee reviews and approves the yearly Audit Plan;

- Audit Committee members are briefed and updated on the matters of corporate governance practice, legal and regulatory matters. Audit Committee reviews internal control issues identified by the internal audit function. The Internal Audit Department reports directly to the Audit Committee. The Audit Committee reports to the Board on the findings and makes recommendations on possible action plans to improve and tighten the internal control of the Group;

- Regular meetings are held to assess performance and controls on all areas of operations with recommendations for improvements;

- Executive directors and senior management make regular visits to the various operating units of the Group to enhance controls;

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

- 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;

- Annual budgets and results are compared, monitored and reviewed;

- Purchasing procedures are documented and monitored; and

- 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.

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

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 are operating adequately and effectively in all material aspects. It is of the view that the risk management and internal control system 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.

STATEMENT OF SHAREHOLDINGS

As at 28 May 2015

Analysis of Shareholdings

Size of Holdings	No. of Holders	%	No. of Shares	%
1 - 99	2	0.19	99	0.00
100 - 1,000	111	10.70	88,101	0.22
1,001 - 10,000	787	75.89	2,611,600	6.51
10,001 - 100,000	122	11.76	3,644,400	9.09
100,001 - 2,004,844*	14	1.36	9,775,720	24.38
2,004,845 and above**	1	0.10	23,976,982	59.80
TOTAL	1,037	100.00	40,096,902	100.00

REMARKS : * - Less than 5% of issued shares
** - 5% and above of issued shares

STATEMENT OF SHAREHOLDINGS

As at 28 May 2015

List of Top 30 Shareholders

No.	Name	No. of Shares held	% of Shareholdings
1.	HTG Holdings Sdn Bhd	23,976,982	59.80
2.	Teck Guan Development (Sabah) Sdn Bhd	2,001,200	4.99
3.	Ong Har Hong	1,378,286	3.44
4.	Chew Boon Seng	1,243,102	3.10
5.	Wong Hok Yim	1,200,000	2.99
6.	Tan Han Chuan	975,632	2.43
7.	Poo Choo @ Ong Poo Choi	725,900	1.81
8.	Tan Ching Ching	676,000	1.69
9.	Wong Chee Choon	651,300	1.62
10.	Chong Thin Tuck	220,000	0.55
11.	Tan Kim Huat & Sons Motor Sdn Berhad	200,000	0.50
12.	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Pong Kim Wai	150,000	0.37
13.	Jimmy Pang Kia Lock	126,300	0.31
14.	UOBM Nominees (Asing) Sdn Bhd CBP Quilvest Trust Ltd for The Sipadan Trust	120,000	0.30
15.	Hong Kim Eng	108,000	0.27
16.	Tan Kim Huat & Sons Holdings Sdn Bhd	100,000	0.25
17.	Tan Jin Tuan	99,000	0.25
18.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ting Tie Hau	97,000	0.24
19.	Loong Chee Meng	94,000	0.23
20.	Tang Tiong Sing	93,100	0.23
21.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yong Nyen Yin	91,000	0.23
22.	Ng Keng Khoon	90,000	0.22
23.	Lee See Jin	82,100	0.20
24.	Lembaga Tabung Amanah Warisan Negeri Terengganu	80,000	0.20
25.	Wong Chin Fa	76,800	0.19
26.	Ang Theng Leng	76,000	0.19
27.	Yong Ai Ting	70,000	0.17
28.	Chong Nyet Wui	68,800	0.17
29.	Yu Chiew Yee	68,000	0.17
30.	Koh Eng Eng	60,000	0.15
		34,998,502	87.26

STATEMENT OF SHAREHOLDINGS

As at 28 May 2015

Substantial Shareholders

Name	No. of Shares Held	% of Shareholdings
HTG Holdings Sdn Bhd	23,976,982	59.80

Directors' Shareholdings in the Company

No.	Name	Direct Total Shareholdings	%	Indirect Total Shareholdings	%
1.	Datuk Hong Ngit Ming	-	-	23,976,982*	59.80
2.	Tang Amiy @ Tang Ah Mei	-	-	-	-
3.	Tham Vui Vun	-	-	-	-
4.	Wong Peng Mun	-	-	-	-
5.	Fung Hiuk Bing	-	-	-	-

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

Directors' Shareholdings in its related Company (HTG Holdings Sdn Bhd)

No.	Name	Direct No. of 10% Cumulative Preference shares of RM1 each	Indirect No. of 10% Cumulative Preference shares of RM1 each
1.	Datuk Hong Ngit Ming	100,000	-
2.	Tang Amiy @ Tang Ah Mei	-	-
3.	Tham Vui Vun	-	-
4.	Wong Peng Mun	-	-
5.	Fung Hiuk Bing	-	-

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

LIST OF PROPERTIES

As at 31 January 2015

Item No	Location	Tenure	Land Area /Build up Area sq.m	Existing use/ Description	Net Book Value As At 31 Jan 2015	Age of Building	Tenure of leasehold Land	Date of Revaluation / method of valuation	Open Market Valuation by independent valuer	
1.	CL 105312703 Quion Hill Apas Road, Tawau, Sabah.	Leasehold (expiring on 28.12.2058)	4,028,645 / 6,745	Cocoa and Oil Palm estate and cocoa fermentation factory	36,942,862	20	43	28/01/2013 Comparison Method	Land Plantation Development Expenditure	14,928,700 23,025,779
2.	CL 105334996 Brantian, Merotai Rd, Tawau, Sabah.	Leasehold (expiring on 31.12.2072)	1,211,629	Oil palm estate	9,136,361	-	57	27/01/2013 Comparison Method	Land Plantation Development Expenditure	3,264,100 6,271,321
3.	CL 105339099 Brantian, Merotai Rd, Tawau, Sabah.	Leasehold (expiring on 31.12.2073)	400,234	Oil palm estate	3,153,894	-	58	27/01/2013 Comparison Method	Land Plantation Development Expenditure	1,185,900 2,278,679
4.	CL 105347493 Quion Hill Apas Road, Tawau, Sabah.	Leasehold (expiring on 31.12.2069)	81,261	Cocoa and oil palm estate	711,569	-	54	28/01/2013 Comparison Method	Land Plantation Development Expenditure	301,200 464,448
5.	CL 105354050 Balung Apas Road, Tawau, Sabah.	Leasehold (expiring on 31.12.2073)	653,567	Oil palm estate	5,352,246	-	58	28/01/2013 Comparison Method	Land Plantation Development Expenditure	2,400,000 3,700,000
6.	CL 105436299 Quion Hill Apas Road, Tawau, Sabah.	Leasehold (expiring on 31.12.2079)	16,147	Cocoa and oil palm estate	162,936	-	64	28/01/2013 Comparison Method	Land Plantation Development Expenditure	59,850 92,288
7.	CL 115316848 Tingkayu, Lahad Datu/ Tawau, Sabah.	Leasehold (expiring on 31.12.2071)	1,216,485 / 233	Cocoa and oil palm estate and cocoa fermentation factory	10,389,203	1	56	19/01/2013 Comparison Method	Land Plantation Development Expenditure	3,610,250 6,874,305
8.	CL 105368607 Sebatik Island Tawau, Sabah	Leasehold (expiring on 31.12.2078)	513,946	Oil palm estate	2,809,659	-	63	25/01/2013 Comparison Method	Land Plantation Development Expenditure	1,000,000 2,000,000
9.	CL 105339071 Mile 2 1/2 Tanjung Batu Laut Tawau, Sabah	Leasehold (expiring on 08.10.2902)	25,617 / 5,028	Cocoa processing factory and office	6,984,265	20	887	28/01/2013 Land - Comparison Method Building - Depreciated Replacement Cost Method	Land Building	7,000,000 5,584,000
10.	CL 105339053 Mile 2 1/2 Tanjung Batu Laut Tawau, Sabah	Leasehold (expiring on 31.12.2902)	19,627 / 2,754	Cocoa processing factory and office	5,350,949	37	887	28/01/2013 Land - Comparison Method Building - Depreciated Replacement Cost Method	Land Building	5,363,000 1,900,000

FINANCIAL STATEMENTS CONTENTS

DIRECTORS' REPORT

The directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 January 2015.

Principal Activities

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

The principal activities of the subsidiaries are the manufacturing and sale of cocoa butter, cocoa powder and other cocoa products, trading of cocoa beans, crude palm kernel oil and operation of kernel crushing plant, and the operation of oil palm and cocoa plantations.

There have been no significant changes in the nature of these activities during the financial year.

Results

	Group RM	Company RM
(Loss)/profit net of tax	(2,054,862)	247,564
(Loss)/profit attributable to:		
Owners of the Company	(2,054,862)	247,564

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

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

Dividends

There were no dividends paid, declared or recommended since the end of the previous financial year.

Directors

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Datuk Hong Ngit Ming – Managing Director
Tang Amiy @ Tang Ah Mei
Tham Vui Vun – Chairman and Non-Independent Director
Wong Peng Mun
Fung Hiuk Bing

DIRECTORS' REPORT

Directors' Benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown in Note 10 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except as disclosed in Note 26 to the financial statements.

Directors' Interests

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

	Number of Ordinary Shares of RM1 each 1.2.2014 and 31.1.2015
The Company	
Indirect Interest :	
Datuk Hong Ngit Ming	23,976,982

	Number of 10% Cumulative Preference Shares of RM1 each 1.2.2014 and 31.1.2015
Holding company - HTG Holdings Sdn. Bhd.	
Direct Interest :	
Datuk Hong Ngit Ming	100,000

None of the other directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

DIRECTORS' REPORT

Holding Company

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

Other Statutory Information

(a) Before the statements of profit or loss and other comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

   (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that no provision for doubtful debts was necessary; and

   (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances which would render:

   (i) it necessary to write off any bad debts or to make any provision for doubtful debts in respect of the financial statements of the Group and of the Company; and

   (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

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

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

DIRECTORS' REPORT

Other Statutory Information (continued)

(e) At the date of this report, there does not exist:

  (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

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

(f) In the opinion of the directors:

  (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and

  (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

Auditors

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 26 May 2015.

Datuk Hong Ngit Ming

Tang Amiy @ Tang Ah Mei

STATEMENT BY DIRECTORS

Pursuant to Section 169(15) of the Companies Act, 1965

We, **Datuk Hong Ngit Ming** and **Tang Amiy @ Tang Ah Mei**, being two of the directors of **Teck Guan Perdana Berhad**, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 50 to121 are drawn up in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 January 2015 and of their financial performance and cash flows for the year then ended.

The information set out in Note 32 to the financial statements has been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the directors dated 26 May 2015.

Datuk Hong Ngit Ming

Tang Amiy @ Tang Ah Mei

STATUTORY DECLARATION

Pursuant to Section 169(16) of the Companies Act, 1965

I, **Chong Nyet Wui**, being the officer primarily responsible for the financial management of **Teck Guan Perdana Berhad**, do solemnly and sincerely declare that the accompanying financial statements set out on pages 50 to 122 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly
declared by the abovenamed
Chong Nyet Wui at Tawau
in the State of Sabah
on 26 May 2015

Chong Nyet Wui

Before me,

Voo Tsun Ping
S129
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

To the members of Teck Guan Perdana Berhad

Report on the financial statements

We have audited the financial statements of Teck Guan Perdana Berhad, which comprise the statements of financial position as at 31 January 2015 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 50 to 121.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT

To the members of Teck Guan Perdana Berhad (continued)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and the Company as at 31 January 2015 and of their financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.

(b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

(c) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

INDEPENDENT AUDITORS' REPORT

To the members of Teck Guan Perdana Berhad (continued)

Other reporting responsibilities

The supplementary information set out in Note 32 on page 122 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young
AF: 0039
Chartered Accountants

Au Yong Swee Yin
3101/02/16(J)
Chartered Accountant

Tawau, Malaysia
Date: 26 May 2015

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 January 2015

		Group		Company	
	Note	2015 RM	2014 RM	2015 RM	2014 RM
Revenue	4	264,052,389	202,257,522	756,000	840,000
Cost of sales	5	(245,568,285)	(175,084,852)	(1,163,973)	(1,150,401)
Gross profit/(loss)		18,484,104	27,172,670	(407,973)	(310,401)
Other item of income					
Other operating income	6	2,064,108	2,283,941	968,396	908,898
Other items of expense					
Administrative expenses		(17,237,369)	(18,482,071)	(184,138)	(157,843)
Other expenses		(737,300)	(158,621)	-	-
Finance costs	7	(3,283,958)	(2,150,164)	(19,001)	-
(Loss)/profit before tax	8	(710,415)	8,665,755	357,284	440,654
Income tax expense	11	(1,344,447)	(1,659,633)	(109,720)	(124,083)
(Loss)/profit net of tax, representing total comprehensive (loss)/ income for the year		(2,054,862)	7,006,122	247,564	316,571
(Loss)/profit attributable to:					
Owners of the Company		(2,054,862)	7,006,122	247,564	316,571
Total comprehensive (loss)/ income attributable to:					
Owners of the Company		(2,054,862)	7,006,122	247,564	316,571
(Loss)/earnings per share attributable to owners of the Company (sen per share):					
Basic	12	(5.12)	17.47		

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

STATEMENTS OF FINANCIAL POSITION

As at 31 January 2015

		Group		Company	
	Note	2015 RM	2014 RM	2015 RM	2014 RM
Assets					
Non-current assets					
Property, plant and equipment	13	60,153,673	61,072,430	6	6
Biological assets	14	39,427,466	42,143,733	-	-
Investment in subsidiaries	15	-	-	30,064,430	30,064,430
Deferred tax assets	16	4,704	4,899	4,704	4,899
		99,585,843	103,221,062	30,069,140	30,069,335
Current assets					
Inventories	17	20,604,086	30,190,870	-	-
Trade and other receivables	18	28,342,358	4,507,244	51,099,276	14,306,883
Cash and bank balances	19	27,480,218	14,738,175	177,004	220,080
		76,426,662	49,436,289	51,276,280	14,526,963
Total assets		176,012,505	152,657,351	81,345,420	44,596,298
Equity and liabilities					
Current liabilities					
Derivatives	20	702,200	95,646	-	-
Loans and borrowings	21	32,863,156	17,990,406	-	-
Trade and other payables	22	40,847,390	22,062,917	37,152,623	649,483
Income tax payable		577,151	416,419	33,336	34,918
		74,989,897	40,565,388	37,185,959	684,401
Net current assets		1,436,765	8,870,901	14,090,321	13,842,562

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

As at 31 January 2015

		Group		Company	
	Note	2015 RM	2014 RM	2015 RM	2014 RM
Non-current liabilities					
Loans and borrowings	21	8,465,394	17,178,742	-	-
Deferred tax liabilities	16	17,463,159	17,764,304	-	-
		25,928,553	34,943,046	-	-
Total liabilities		100,918,450	75,508,434	37,185,959	684,401
Net assets		75,094,055	77,148,917	44,159,461	43,911,897
Equity attributable to owners of the Company					
Share capital	23	40,096,902	40,096,902	40,096,902	40,096,902
Share premium		7,000	7,000	7,000	7,000
Asset revaluation reserve	24	52,286,476	54,339,344	-	-
(Accumulated losses)/ Retained earnings	25	(17,296,323)	(17,294,329)	4,055,559	3,807,995
Total equity		75,094,055	77,148,917	44,159,461	43,911,897
Total equity and liabilities		176,012,505	152,657,351	81,345,420	44,596,298

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 January 2015

		Attributable to owners of the Company			
		Non-distributable			
	Equity, total RM	Share capital (Note 23) RM	Share premium RM	Accumulated losses RM	Asset revalution reserve (Note 24) RM
Group					
Opening balance at 1 February 2014	77,148,917	40,096,902	7,000	(17,294,329)	54,339,344
Total comprehensive loss	(2,054,862)	-	-	(2,054,862)	-
Assets revaluation realised upon depreciation charged	-	-	-	2,052,868	(2,052,868)
Closing balance at 31 January 2015	75,094,055	40,096,902	7,000	(17,296,323)	52,286,476
Opening balance at 1 February 2013	70,142,795	40,096,902	7,000	(26,353,319)	56,392,212
Total comprehensive income	7,006,122	-	-	7,006,122	-
Assets revaluation realised upon depreciation charged	-	-	-	2,052,868	(2,052,868)
Closing balance at 31 January 2014	77,148,917	40,096,902	7,000	(17,294,329)	54,339,344

COMPANY STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 January 2015

		Non-Distributable		Distributable
	Equity, total RM	Share capital (Note 23) RM	Share premium RM	Retained earnings (Note 25) RM
Company				
Opening balance at 1 February 2014	43,911,897	40,096,902	7,000	3,807,995
Total comprehensive income	247,564	-	-	247,564
Closing balance at 31 January 2015	44,159,461	40,096,902	7,000	4,055,559
Opening balance at 1 February 2013	43,595,326	40,096,902	7,000	3,491,424
Total comprehensive income	316,571	-	-	316,571
Closing balance at 31 January 2014	43,911,897	40,096,902	7,000	3,807,995

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

STATEMENTS OF CASH FLOWS

For the year ended 31 January 2015

		Group		Company	
	Note	2015 RM	2014 RM	2015 RM	2014 RM
Operating activities					
(Loss)/profit before tax		(710,415)	8,665,755	357,284	440,654
Adjustments for:					
Amortisation of biological assets	8	2,716,267	2,716,267	-	-
Gain on disposal of plant and equipment	6	-	(10,237)	-	(4,999)
Depreciation of property, plant and equipment	8	2,017,662	2,079,490	-	-
Plant and equipment written off	8	625	248	-	-
Interest expense	7	3,283,958	2,150,164	19,001	-
Interest income	6	(310,457)	(508,704)	(968,396)	(903,899)
Net fair value loss/(gain) on derivatives	8	606,554	(220,503)	-	-
Unrealised loss on foreign exchange	8	3,339,674	1,890,674	-	-
Total adjustments		11,654,283	8,097,399	(949,395)	(908,898)
Operating cash flows before changes in working capital		10,943,868	16,763,154	(592,111)	(468,244)
Changes in working capital:					
Decrease in inventories		9,586,784	3,669,541	-	-
Increase in trade and other receivables		(27,174,788)	(234,383)	(36,792,393)	(813,380)
Increase/(decrease) in trade and other payables		18,784,473	(10,685,388)	36,503,140	413,707
Total changes in working capital		1,196,469	(7,250,230)	(289,253)	(399,673)
Cash flows generated from/(used in) operations		12,140,337	9,512,924	(881,364)	(867,917)
Interest paid		(3,283,958)	(2,150,164)	(19,001)	-
Interest received		310,457	508,704	968,396	903,899
Income tax paid		(1,484,665)	(1,513,905)	(111,107)	(85,000)
Income tax refunded		-	343,236	-	78,219
Net cash flows generated from/(used in) operating activities		7,682,171	6,700,795	(43,076)	29,201

STATEMENTS OF CASH FLOWS (CONTINUED)

For the year ended 31 January 2015

		Group		Company	
	Note	2015 RM	2014 RM	2015 RM	2014 RM
Investing activities					
Proceeds from disposal of plant and equipment		-	11,030	-	5,000
Purchase of property, plant and equipment	13	(1,099,530)	(987,976)	-	-
Net cash flows (used in)/generated from investing activities		(1,099,530)	(976,946)	-	5,000
Financing activities					
Drawdown of letter of credits		19,601,771	-	-	-
Proceeds from bankers' acceptances		54,395,000	28,940,000	-	-
Repayment of bankers' acceptances		(56,892,000)	(41,020,000)	-	-
Repayment of revolving credit		(2,000,000)	-	-	-
Repayment of term loan		(8,835,150)	(8,343,453)	-	-
Net cash flows generated from/(used in) financing activities		6,269,621	(20,423,453)	-	-
Net increase/(decrease) in cash and cash equivalents		12,852,262	(14,699,604)	(43,076)	34,201
Cash and cash equivalents at beginning of year		14,627,956	29,327,560	220,080	185,879
Cash and cash equivalents at end of year	19	27,480,218	14,627,956	177,004	220,080

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

NOTES TO THE FINANCIAL STATEMENTS

31 January 2015

1. Corporate information

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is situated at No. 318, Teck Guan Regency, Jalan St. Patrick, Off Jalan Belunu, 91000 Tawau, Sabah.

The principal activities of the Company are investment holding and the provision of administrative services to its subsidiaries. The principal activities of the subsidiaries are the manufacturing and sale of cocoa butter, cocoa powder and other cocoa products, trading of cocoa beans, crude palm kernel oil and operation of kernel crushing plant, and the operation of oil palm and cocoa plantations. There have been no significant changes in the nature of the principal activities during the financial year.

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

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Group and Company have been prepared in accordance with Financial Reporting Standards (FRS) and the Companies Act, 1965 in Malaysia. At the beginning of the current financial year, the Group and the Company adopted new and revised FRS which are mandatory for financial periods beginning on or after 1 February 2014 as described fully in Note 2.2.

The financial statements of the Group and of the Company have been prepared on the historical cost basis, unless otherwise indicated in this summary of significant accounting policies.

The financial statements are presented in Ringgit Malaysia (RM).

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 February 2014, the Group and the Company adopted the following new and amended FRS and IC Interpretation mandatory for annual financial periods beginning on or after 1 February 2014.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2015

2. Summary of significant accounting policies (continued)

2.2 Changes in accounting policies (continued)

Description	Effective for annual periods beginning on or after
Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to FRS 10, FRS 12 and FRS 127: Investment Entities	1 January 2014
Amendments to FRS 136: Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to FRS 139: Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21: Levies	1 January 2014

The nature and impact of the new and amended FRSs and IC Interpretation are described below:

Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities

The amendments clarify the meaning of "currently has a legally enforceable right to set off" and "simultaneous realisation and settlement". These amendments are to be applied retrospectively. These amendments have no impact on the Group, since none of the entities in the Group have any offsetting arrangements.

Amendments to FRS 136: Recoverable Amount Disclosures for Non-Financial Assets

The amendments to FRS 136 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives has been allocated when there has been no impairment or reversal of impairment of the related CGU. In addition, the amendments introduce additional disclosure requirements when the recoverable amount is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by FRS 13 Fair Value Measurements.

The application of these amendments has had no material impact on the disclosures in the Group's and the Company's financial statements

Amendments to FRS 139: Novation of Derivatives and Continuation of Hedge Accounting

These amendments provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measure of hedge effectiveness. Retrospective application is required.

These amendments have no impact on the Group as the Group does not have any derivatives that are subject to novation.

2. Summary of significant accounting policies (continued)

2.2 Changes in accounting policies (continued)

IC Interpretation 21: Levies

IC 21 defines a levy and clarifies that the obligating event which gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. For a levy which is triggered upon reaching a minimum threshold, IC 21 clarifies that no liability should be recognised before the specified minimum threshold is reached. Retrospective application is required. The application of IC 21 has had no material impact on the disclosures or on the amounts recognised in the Group's and the Company's financial statements.

2.3 Standards issued but not yet effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
Amendments to FRS 119: Defined Benefit Plans: Employee Contributions	1 July 2014
Annual Improvements to FRS 2010 - 2012 Cycle	1 July 2014
Annual improvements to FRS 2011 - 2013 Cycle	1 July 2014
Annual improvements to FRS 2012 - 2014 Cycle	1 January 2016
Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS10 and FRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to FRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to FRS 127: Equity Method in Separate Financial Statements	1 January 2016
Amendments to FRS 101: Disclosure initiatives	1 January 2016
Amendments to FRS 10, FRS 12 and FRS 128: Investments Entities: Applying the Consolidation Exception	1 January 2016
FRS 14: Regulatory Deferral Accounts	1 January 2016
FRS 9: Financial Instruments	1 January 2018

NOTES TO THE FINANCIAL STATEMENTS

31 January 2015

2. Summary of significant accounting policies (continued)

2.3 Standards issued but not yet effective (continued)

Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments clarify that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through the use of an asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets.

The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact to the Group as the Group has not used a revenue-based method to depreciate its non-current assets.

Amendments to FRS 127: Equity Method in Separate Financial Statements

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associate in their separate financial statements. Entities already applying FRS and electing to change to the equity method in its separate financial statements will have to apply this change retrospectively. For first-time adopters of FRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to FRS. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments will not have any impact on the Group's and the Company's financial statements.

Amendments to FRS 101: Disclosure Initiatives

The amendments to FRS 101 include narrow-focus improvements in the following five areas:

- Materiality
- Disaggregation and subtotals
- Notes structure
- Disclosure of accounting policies
- Presentation of items of other comprehensive income arising from equity accounted investments

The Directors of the Company do not anticipate that the application of these amendments will have a material impact on the Group's and the Company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2015

2. Summary of significant accounting policies (continued)

2.3 Standards issued but not yet effective (continued)

FRS 9: Financial Instruments

In November 2014, MASB issued the final version of FRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces FRS 139 Financial Instruments: Recognition and Measurement and all previous versions of FRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. FRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The adoption of FRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

Annual Improvements to FRSs 2010–2012 Cycle

The Annual Improvements to FRSs 2010-2012 Cycle include a number of amendments to various FRSs, which are summarised below. The Directors of the Company do not anticipate that the application of these amendments will have a significant impact on the Group's and the Company's financial statements.

FRS 3: Business Combinations

The amendments to FRS 3 clarifies that contingent consideration classified as liabilities (or assets) should be measured at fair value through profit or loss at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of FRS 9 or FRS 139. The amendments are effective for business combinations for which the acquisition date is on or after 1 July 2014.

FRS 8: Operating Segments

The amendments are to be applied retrospectively and clarify that:

- an entity must disclose the judgements made by management in applying the aggregation criteria in FRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics used to assess whether the segments are similar; and

- the reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker.

FRS 116: Property, Plant and Equipment and FRS 138: Intangible Assets

The amendments remove inconsistencies in the accounting for accumulated depreciation or amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amendments clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2015

2. Summary of significant accounting policies (continued)

2.3 Standards issued but not yet effective (continued)

Annual Improvements to FRSs 2010–2012 Cycle (continued)

FRS 124: Related Party Disclosures

The amendments clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. The reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services.

Annual Improvements to FRSs 2011–2013 Cycle

The Annual Improvements to FRSs 2011-2013 Cycle include a number of amendments to various FRSs, which are summarised below. The Directors of the Company do not anticipate that the application of these amendments will have a significant impact on the Group's and the Company's financial statements.

FRS 3: Business Combinations

The amendments to FRS 3 clarify that the standard does not apply to the accounting for formation of all types of joint arrangement in the financial statements of the joint arrangement itself. This amendment is to be applied prospectively.

FRS 13: Fair Value Measurement

The amendments to FRS 13 clarify that the portfolio exception in FRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of FRS 9 (or FRS 139 as applicable).

Annual Improvements to FRSs 2012–2014 Cycle

The Annual Improvements to FRSs 2012-2014 Cycle include a number of amendments to various FRSs, which are summarised below. The Directors of the Company do not anticipate that the application of these amendments will have a significant impact on the Group's and the Company's financial statements.

FRS 7: Financial Instruments: Disclosures

The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in FRS 7 in order to assess whether the disclosures are required.

In addition, the amendment also clarifies that the disclosures in respect of offsetting of financial assets and financial liabilities are not required in the condensed interim financial report.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2015

2. Summary of significant accounting policies (continued)

2.3 Standards issued but not yet effective (continued)

Annual Improvements to FRSs 2012–2014 Cycle (continued)

FRS 134: Interim Financial Reporting

FRS 134 requires entities to disclose information in the notes to the interim financial statements 'if not disclosed elsewhere in the interim financial report'.

The amendment states that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g., in the management commentary or risk report). The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time.

Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called 'Transitioning Entities').

Transitioning Entities will be allowed to defer adoption of the new MFRS Framewark for an additional three years. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2015. Subsequently, on 2 September 2014, MASB has issued the following standards:

(i) MFRS 15, Revenue from Contracts Customers

(ii) Agriculture: Bearer plants (Amendments to MFRS 116, Property, Plant and Equipment and MFRS 141, Agriculture)

With the issuance of MFRS 141 and the Bearer Plant Amendment, all Transitioning Entities would be required to adopt the MFRS latest by 1 January 2017.

The Group falls within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 January 2018. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2015

2. Summary of significant accounting policies (continued)

2.3 Standards issued but not yet effective (continued)

Malaysian Financial Reporting Standards (MFRS Framework) (continued)

At the date of these financial statements, the Group has not completed its quantification of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework due to the ongoing assessment by the project team. Accordingly, the consolidated financial performance and financial position as disclosed in these financial statements for the year ended 31 January 2015 could be different if prepared under the MFRS Framework.

The Group expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 January 2018.

2.4 Basis of consolidation

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

The Company controls an investee if and only if the Company has all the following:

(i) Power over the investee (i.e existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) Exposure, or rights, to variable returns from its investment with the investee; and

(iii) The ability to use its power over the investee to affect its returns.

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:

(i) The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

(ii) Potential voting rights held by the Company, other vote holders or other parties;

(iii) Rights arising from other contractual arrangements; and

(iv) Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

2. Summary of significant accounting policies (continued)

2.4 Basis of consolidation (continued)

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest, is recognised in profit or loss. The subsidiary's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary at the date control is lost is regarded as the cost on initial recognition of the investment.

Business combinations

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction costs incurred are expensed and included in administrative expenses.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with FRS 139 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of FRS 139, it is measured in accordance with the appropriate FRS.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

2. Summary of significant accounting policies (continued)

2.5 Subsidiaries

A subsidiary is an entity over which the Group has all the following:

(i) Power over the investee (i.e existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) Exposure or rights, to variable returns from its investment with the investee; and

(iii) The ability to use its power over the investee to affect its returns.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2.6 Foreign currency

(a) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency.

(b) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2015

2. Summary of significant accounting policies (continued)

2.7 Property, plant and equipment, and depreciation

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Leasehold land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised after the date of revaluation. Valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value of the leasehold land and buildings at the reporting date.

Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offset an existing surplus on the same asset carried in the asset revaluation reserve.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the assets.

Leasehold land is depreciated over the period of the respective leases. Construction-in-progress is not depreciated as these assets are not available for use. Depreciation of property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Buildings	2% to 10%
Tractors and motor vehicles	20%
Plant and machinery	5% to 10%
Equipment, furniture and fixtures	10% to 20%

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2015

2. Summary of significant accounting policies (continued)

2.7 Property, plant and equipment, and depreciation (continued)

The residual value, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items 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 or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

2.8 Biological assets

All expenses incurred in land preparation, planting and developing of oil palm plantations up to maturity are capitalised as biological assets. A portion of the indirect overheads which include general and administrative expenses and interest expense incurred on immature plantation is similarly capitalised under biological assets until such time when the plantation attains maturity. All expenses subsequent to maturity are recognised in profit or loss. Oil palm planting expenditure incurred up to maturity is amortised over 25 years.

Biological assets are stated at revalued amount, which is the fair value at the date of the revaluation less any accumulated amortisation and impairment losses. Fair value is determined from market-based evidence by appraisal that is undertaken by professionally qualified valuers. Revaluation are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from that which would be determined using fair value at the balance sheet date. Any revaluation surplus is credited to the revaluation reserve included within equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss to the extent of the decrease previously recognised. A revaluation deficit is first offset against unutilised previously recognised revaluation surplus in respect of the same asset and the balance is thereafter recognised in profit or loss. Upon disposal or retirement of an asset, any revaluation reserve relating to the particular asset is transferred directly to retained earnings.

Oil palm replanting expenditure is capitalised under biological assets in the year in which it is incurred until maturity.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2015

2. Summary of significant accounting policies (continued)

2.9 Impairment of non-financial assets

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

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value 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 the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

2. Summary of significant accounting policies (continued)

2.10 Current versus non-current classification

The Group presents assets and liabilities in statements of financial position based on current/non-current classification. An asset as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current. A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.11 Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

2. Summary of significant accounting policies (continued)

2.11 Financial instruments – initial recognition and subsequent measurement (continued)

(a) Financial assets (continued)

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in four categories:

- Financial assets at fair value through profit or loss
- Loans and receivables
- Held-to-maturity investments
- Available-for-sale financial investments

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments as defined by FRS 139. The Group has not designated any financial assets at fair value through profit or loss. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value presented as finance costs (negative net changes in fair value) or finance income (positive net changes in fair value) in the statement of profit or loss.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Re-assessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2015

2. Summary of significant accounting policies (continued)

2.11 Financial instruments – initial recognition and subsequent measurement (continued)

(a) Financial assets (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables.

This category generally applies to trade and other receivables. For more information on receivables, refer to Note 18.

Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Group has the positive intention and ability to hold them to maturity. After initial measurement, held to maturity investments are measured at amortised cost using the EIR, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss as finance costs. The Group did not have any held-to-maturity investments during the years ended 31 January 2015 and 2014.

Available-for-sale (AFS) financial investments

AFS financial investments include equity investments and debt securities. Equity investments classified as AFS are those that are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those that are intended to be held for an indefinite period of time and that may be sold in response to needs for liquidity or in response to changes in the market conditions.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2015

2. Summary of significant accounting policies (continued)

2.11 Financial instruments – initial recognition and subsequent measurement (continued)

(a) Financial assets (continued)

Available-for-sale (AFS) financial investments (continued)

After initial measurement, AFS financial investments are subsequently measured at fair value with unrealised gains or losses recognised in other comprehensive income and credited in the AFS reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in other operating income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the AFS reserve to the statement of profit or loss in finance costs. Interest earned whilst holding AFS financial investments is reported as interest income using the EIR method.

The Group evaluates whether the ability and intention to sell its AFS financial assets in the near term is still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, the Group may elect to reclassify these financial assets if the management has the ability and intention to hold the assets for foreseeable future or until maturity.

For a financial asset reclassified from the AFS category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on the asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the EIR. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the statement of profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2. Summary of significant accounting policies (continued)

2.11 Financial instruments – initial recognition and subsequent measurement (continued)

(a) Financial assets (continued)

Derecognition (continued)

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

(b) Impairment of financial assets

The Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2015

2. Summary of significant accounting policies (continued)

2.11 Financial instruments – initial recognition and subsequent measurement (continued)

(b) Impairment of financial assets (continued)

Financial assets carried at amortised cost (continued)

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in statement of profit or loss. Interest income (recorded as finance income in the statement of profit or loss) continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance costs in the statement of profit or loss.

(c) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognition when, and only when, the Group become a party to the contractual provision of the financial instrument. The Group determines the classification of its financial liabilities initial recognition.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and loans and borrowings.

2. Summary of significant accounting policies (continued)

2.11 Financial instruments – initial recognition and subsequent measurement (continued)

(c) Financial liabilities

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by FRS 139. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in FRS 139 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings. For more information refer Note 21.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2015

2. Summary of significant accounting policies (continued)

2.11 Financial instruments – initial recognition and subsequent measurement (continued)

(c) Financial liabilities (continued)

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

2.12 Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents include cash in hand and at bank, deposits at call, short term highly liquid investments which have an insignificant risk of changes in value and have a short maturity of generally within three months when acquired, net of outstanding bank overdraft, if any.

2.13 Inventories

Inventories are stated at lower of cost and net realisable value.

Inventories are valued on the weighted average method. The cost of raw materials comprises cost purchase. The costs of finished goods and work-in-progress comprise costs of raw materials, direct labour, other direct costs and appropriate proportions of manufacturing overheads based normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.14 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2015

2. Summary of significant accounting policies (continued)

2.15 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

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

2.16 Employee benefits

(a) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(b) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the income statement as incurred. As required by law, companies in Malaysia make such contributions to the Employees' Provident Fund ("EPF").

NOTES TO THE FINANCIAL STATEMENTS

31 January 2015

2. Summary of significant accounting policies (continued)

2.17 Leases

(a) As lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(b) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income.

2.18 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(a) Sale of goods

Revenue from sale of goods is recognised net of sales taxes and upon the transfer of significant risks and rewards of ownership to the buyer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2015

2. Summary of significant accounting policies (continued)

2.18 Revenue recognition (continued)

(b) Rendering of services

Revenue from services rendered is recognised net of service taxes as and when the services are performed.

(c) Rental income

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

(d) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

(e) Interest income

Interest is recognised on a time proportion basis that reflects the effective yield on the asset.

2.19 Income taxes

(a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes 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 provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

2. Summary of significant accounting policies (continued)

2.19 Income taxes (continued)

(b) Deferred tax (continued)

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

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

NOTES TO THE FINANCIAL STATEMENTS

31 January 2015

2. Summary of significant accounting policies (continued)

2.19 Income taxes (continued)

(b) Deferred tax (continued)

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

2.20 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Group who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 30, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.21 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2. Summary of significant accounting policies (continued)

2.22 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group.

3. Significant accounting judgements and estimates

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

3.1 Judgement made in applying accounting policies

There were no critical judgements made by management in the process of applying the Group's accounting policies which may have significant effect on the amounts recognized in the financial statements.

3.2 Key sources of estimation uncertainty

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

(a) Useful lives of plant and machinery

The cost of plant and machinery is depreciated on a straight-line basis over the assets' remaining useful lives. Management estimates the useful lives of these assets to be between 10 to 20 years. These are common life expectancies applied in the cocoa and oil palm planting and processing industies. 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 the Group's plant and equipment at the reporting date is disclosed in Note 13. A 3% difference in the expected useful lives of these assets from management's estimates would result in approximately 0.1% variance in the Group's loss for the year.

(b) Impairment of loans and receivables

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

3. Significant accounting judgements and estimates (continued)

3.2 Key sources of estimation uncertainty (continued)

(c) Impairment of land, building and biological assets

The Group's land, building and biological assets are stated at valuation. This is based on valuation by an independent valuer's assessment of the market value of the land, building and biological assets. Changes in the conditions of the land, building and biological assets could impact the market value of the assets. The carrying amounts of the Group's land, building and biological assets as at 31 January 2015 were approximately RM46,995,668 (2014: RM47,407,121) and RM39,427,466 (2014: RM42,143,733) respectively.

(d) Deferred tax assets

Deferred tax assets are recognised for all unutilised tax losses and unabsorbed capital and agriculture allowances to the extent that it is probable that taxable profit will be available against which the losses, capital and agriculture allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The total carrying value of recognised tax losses, capital allowances of the Group and of the Company were RM16,464,446 (2014: RM19,664,925) and RM19,604 (2014: RM20,425) respectively and the unutilised tax losses of the Group was RM34,430,864 (2014: RM33,304,797).

4. Revenue

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Sale of plantation produce	10,676,036	10,289,979	-	-
Sale of cocoa products	6,741,427	8,797,988	-	-
Sale of dried cocoa beans	575,613	839,772	-	-
Sale of crude palm kernel oil	161,743,468	110,861,691	-	-
Sale of palm kernel expeller	19,116,517	26,073,895	-	-
Sale of refined palm oil and related products	65,199,328	45,394,197	-	-
Administrative fees from subsidiaries	-	-	756,000	840,000
	264,052,389	202,257,522	756,000	840,000

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5. Cost of sales

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Cost of goods sold	245,568,285	175,084,852	-	-
Cost of services rendered	-	-	1,163,973	1,150,401
	245,568,285	175,084,852	1,163,973	1,150,401

6. Other operating income

	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Interest income	310,457	508,704	968,396	903,899
Gain on disposal of property, plant and equipment	-	10,237	-	4,999
Gain on foreign exchange - realised	38,975	48,770	-	-
Insurance claim	65,744	720,327	-	-
Rental income	171,000	165,960	-	-
Transport and handling charges received	965,303	378,843	-	-
Miscellaneous	512,629	443,750	-	-
Unrealised gain on future commodities contract	-	7,350	-	-
	2,064,108	2,283,941	968,396	908,898

7. Finance costs

	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Interest expense on:				
Bank overdrafts	8,590	10,277	-	-
Bankers' acceptances	351,176	205,645	-	-
Overdue accounts	2,360,158	1,075,987	19,001	-
Term loan and revolving credits	564,034	858,255	-	-
	3,283,958	2,150,164	19,001	-

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8. (Loss)/profit before tax

The following amounts have been included in arriving at (loss)/profit before tax:

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Employee benefits expense (Note 9)	5,629,831	5,598,264	1,093,085	1,074,689
Non-executive directors' remuneration (Note 10)	36,000	36,000	36,000	36,000
Amortisation of biological assets (Note 14)	2,716,267	2,716,267	-	-
Auditors' remuneration:				
- Statutory audits:				
- current year	74,000	71,000	35,000	33,000
- (over)/underprovision in previous years	(620)	4,000	-	2,000
- Other services	3,250	8,305	1,400	1,100
Depreciation of property, plant and equipment (Note 13)	2,017,662	2,079,490	-	-
(Gain)/loss on foreign exchange:				
- realised	(1,245,772)	(1,320,095)	-	-
- unrealised	3,339,674	1,890,674	-	-
Net fair value loss/(gain) on derivatives	606,554	(220,503)	-	-
Plant and equipment written off	625	248	-	-
Rental of premises	46,800	46,800	25,200	25,200
Rental of equipment	70,984	67,369	7,550	7,595
Rental of land and factory	2,196,192	2,195,760	-	-
Realised loss on future commodities contract	35,100	62,975	-	-

9. Employee benefits expense

	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Salaries, wages and allowances	5,240,074	5,202,051	983,036	967,314
Contributions to defined contribution plan	356,976	362,293	107,570	104,547
Social security contributions	32,781	33,920	2,479	2,828
	5,629,831	5,598,264	1,093,085	1,074,689

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to RM363,075 (2014: RM463,825) and RM360,519 (2014: RM453,527) respectively, as further disclosed in Note 10 below.

10. Directors' remuneration

	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Executive directors' remuneration:				
Other emoluments	363,075	463,825	360,519	453,527
Non-executives directors' remuneration:				
Fees (Note 10)	36,000	36,000	36,000	36,000
Total directors' remuneration	399,075	499,825	396,519	489,527
Estimated monetary value of benefits-in-kind	14,684	10,917	14,684	10,917
Total	413,759	510,742	411,203	500,444

10. Directors' remuneration (continued)

The details of remuneration receivable by directors of the Company during the year are as follows:

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Executive:				
Salaries and other emoluments	311,663	392,084	309,263	382,452
Defined contribution plan	31,983	40,387	31,827	39,839
Bonus	19,429	31,236	19,429	31,236
Social security contribution	-	118	-	-
Total executive directors' remuneration (excluding benefits-in-kind)	363,075	463,825	360,519	453,527
Estimated monetary value of benefits-in-kind	14,684	10,917	14,684	10,917
Total executive directors' remuneration (including benefits-in-kind)	377,759	474,742	375,203	464,444
Non-executive:				
Fees (Note 8)	36,000	36,000	36,000	36,000
	413,759	510,742	411,203	500,444

The number of directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:

	Number of directors	
	2015	2014
Executive directors:		
Less than RM50,000	-	1
RM 50,001 to RM100,000	1	1
RM100,001 to RM150,000	-	1
RM150,001 to RM200,000	1	1
Non-executive directors:		
Less than RM50,000	3	4

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11. Income tax expenses

The major components of income tax expense for the financial years ended 31 January 2015 and 2014 are:

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Statement of comprehensive income:				
Current income tax:				
- Malaysian income tax	1,645,404	1,653,016	109,525	122,833
- (Over)/Underprovision in respect of previous years	(7)	195,610	-	-
	1,645,397	1,848,626	109,525	122,833
Deferred income tax (Note 16):				
Origination and reversal of temporary differences	(294,002)	530,733	-	1,250
Reduction in tax rate	-	(740,180)	-	-
(Over)/Underprovision in respect of previous years	(6,948)	20,454	195	-
	(300,950)	(188,993)	195	1,250
Income tax expense recognised in profit or loss	1,344,447	1,659,633	109,720	124,083

11. Income tax expenses (continued)

Reconciliation between tax expense and accounting profit

The reconciliations between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 January 2015 and 2014 are as follows:

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Accounting (loss)/profit before tax	(710,415)	8,665,755	357,284	440,654
Taxation at Malaysian statutory tax rate of 25% (2014: 25%)	(177,604)	2,166,439	89,321	110,164
Adjustments:				
Non-deductible expenses	1,247,490	589,330	20,204	13,919
Income not subject to tax	-	(1,250)	-	-
Reduction in tax rate	-	(740,180)	-	-
Deferred tax assets not recognised in respect of unutilised tax losses and unabsorbed capital allowances	281,516	427,671	-	-
Utilisation of previously unrecognised unabsorbed capital allowances	-	(998,441)	-	-
(Over)/underprovision of income tax in respect of previous years	(7)	195,610	-	-
(Over)/underprovision of deferred tax in respect of previous years	(6,948)	20,454	195	-
Income tax expense recognised in profit or loss	1,344,447	1,659,633	109,720	124,083

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2014: 25%) of the estimated assessable profit for the year. The statutory tax rate will be reduced from current year's rate of 25% to 24% with effective from the year of assessment 2016.

NOTES TO THE FINANCIAL STATEMENTS

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12. **(Loss)/earnings per share**

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

The following table reflects the (loss)/profit and share data used in the computation of basic earnings per share for the years ended 31 January 2015 and 2014:

	Group	
	2015	2014
(Loss)/profit net of tax, attributable to owners of the Company (RM)	(2,054,862)	7,006,122
Weighted average number of ordinary shares in issue	40,096,902	40,096,902
Basic (loss)/earnings per share (sen)	(5.12)	17.47

There are no dilutive potential ordinary shares. As such, the dilutive (loss)/earnings per share of the Group is equivalent to the basic (loss)/earnings per share.

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13. Property, plant and equipment

	Land and buildings* RM	Tractors and motor vehicles RM	Plant and machinery RM	Equipment, furniture and fixtures RM	Construction -in-progress RM	Total RM
Group						
Cost or valuation:						
At 1 February 2013	55,176,481	1,737,957	37,397,220	1,412,415	50,834	95,774,907
Additions	26,127	12,998	925,560	20,305	2,986	987,976
Disposals	-	(212,681)	(1,615)	(2,400)	-	(216,696)
Written off	-	-	-	(1,350)	-	(1,350)
At 31 January 2014	55,202,608	1,538,274	38,321,165	1,428,970	53,820	96,544,837
Representing:						
At cost	8,515,608	1,538,274	38,321,165	1,428,970	53,820	49,857,837
At valuation	46,687,000	-	-	-	-	46,687,000
At 31 January 2014 and 1 February 2014	55,202,608	1,538,274	38,321,165	1,428,970	53,820	96,544,837
Additions	557,000	13,000	507,185	22,345	-	1,099,530
Written off	-	-	-	(1,250)	-	(1,250)
Reclassifications	-	-	53,820	-	(53,820)	-
At 31 January 2015	55,759,608	1,551,274	38,882,170	1,450,065	-	97,643,117
Representing:						
At cost	9,072,608	1,551,274	38,882,170	1,450,065	-	50,956,117
At valuation	46,687,000	-	-	-	-	46,687,000
At 31 January 2015	55,759,608	1,551,274	38,882,170	1,450,065	-	97,643,117

NOTES TO THE FINANCIAL STATEMENTS

31 January 2015

13. Property, plant and equipment (continued)

	Land and buildings* RM	Tractors and motor vehicles RM	Plant and machinery RM	Equipment, furniture and fixtures RM	Construction -in- progress RM	Total RM
Group						
Accumulated depreciation						
At 1 February 2013	3,893,578	1,034,918	28,036,562	644,864	-	33,609,922
Depreciation charge for the year (Note 8)	1,010,242	245,622	713,803	109,823	-	2,079,490
Disposals	-	(212,679)	(825)	(2,399)	-	(215,903)
Written off	-	-	-	(1,102)	-	(1,102)
At 31 January 2014 and 1 February 2014	4,903,820	1,067,861	28,749,540	751,186	-	35,472,407
Depreciation charge for the year (Note 8)	1,026,645	179,787	705,800	105,430	-	2,017,662
Written off	-	-	-	(625)	-	(625)
At 31 January 2015	5,930,465	1,247,648	29,455,340	855,991	-	37,489,444
Net carrying amount:						
At cost	4,521,500	470,413	9,571,625	677,784	53,820	15,295,142
At valuation	45,777,288	-	-	-	-	45,777,288
At 31 January 2014	50,298,788	470,413	9,571,625	677,784	53,820	61,072,430
Net carrying amount:						
At cost	4,749,726	303,626	9,426,830	594,074	-	15,074,256
At valuation	45,079,417	-	-	-	-	45,079,417
At 31 January 2015	49,829,143	303,626	9,426,830	594,074	-	60,153,673

NOTES TO THE FINANCIAL STATEMENTS

31 January 2015

13. Property, plant and equipment (continued)

* Land and buildings of the Group comprise:

	Leasehold land RM	Plantation infrastructure RM	Buildings RM	Total RM
Cost or valuation:				
At 1 February 2013	39,203,000	3,307,130	12,666,351	55,176,481
Additions	-	26,127	-	26,127
At 31 January 2014	39,203,000	3,333,257	12,666,351	55,202,608
Representing:				
At cost	-	3,333,257	5,182,351	8,515,608
At valuation	39,203,000	-	7,484,000	46,687,000
At 31 January 2014 and 1 February 2014	39,203,000	3,333,257	12,666,351	55,202,608
Additions	-	-	557,000	557,000
At 31 January 2015	39,203,000	3,333,257	13,223,351	55,759,608
Representing:				
At cost	-	3,333,257	5,739,351	9,072,608
At valuation	39,203,000	-	7,484,000	46,687,000
At 31 January 2015	39,203,000	3,333,257	13,223,351	55,759,608

NOTES TO THE FINANCIAL STATEMENTS

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13. Property, plant and equipment (continued)

* Land and buildings of the Group comprise (continued):

	Leasehold land RM	Plantation infrastructure RM	Buildings RM	Total RM
Accumulated depreciation				
At 1 February 2013	-	383,398	3,510,180	3,893,578
Depreciation charge for the year	542,248	58,192	409,802	1,010,242
At 31 January 2014 and 1 February 2014	542,248	441,590	3,919,982	4,903,820
Depreciation charge for the year	542,248	58,192	426,205	1,026,645
At 31 January 2015	1,084,496	499,782	4,346,187	5,930,465
Net carrying amount:				
At cost	-	2,891,667	1,629,833	4,521,500
At valuation	38,660,752	-	7,116,536	45,777,288
At 31 January 2014	38,660,752	2,891,667	8,746,369	50,298,788
Net carrying amount:				
At cost	-	2,833,475	1,916,251	4,749,726
At valuation	38,118,504	-	6,960,913	45,079,417
At 31 January 2015	38,118,504	2,833,475	8,877,164	49,829,143

NOTES TO THE FINANCIAL STATEMENTS

31 January 2015

13. Property, plant and equipment (continued)

	Motor vehicles RM	Equipment, furniture and fixtures RM	Total RM
Company			
At 31 January 2015			
Cost			
At 1 February 2014 and 31 January 2015	-	16,258	16,258
Accumulated depreciation			
At 1 February 2014 and 31 January 2015	-	16,252	16,252
Net carrying amount	-	6	6
At 31 January 2014			
Cost			
At 1 February 2013	208,101	16,258	224,359
Disposal	(208,101)	-	(208,101)
At 31 January 2014	-	16,258	16,258
Accumulated depreciation			
At 1 February 2013	208,100	16,252	224,352
Disposal	(208,100)	-	(208,100)
At 31 January 2014	-	16,252	16,252
Net carrying amount	-	6	6

Property, plant and equipment amounting to RM25,946,654 (2014: RM38,066,161) have been pledged to bankers as security for banking facilities granted to the Group (Note 21).

Long term leasehold land, plantation infrastructure and buildings were revalued on 28 January 2013 by independent professional valuers. Fair value is determined by reference to open market values on an existing use basis.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2015

13. Property, plant and equipment (continued)

Had the revalued property, plant and equipment been carried under the cost model, the carrying amounts of each class of property, plant and equipment that would have been included in the financial statements of the Group as at 31 January 2015 are as follows:

	Plant and machinery RM	Long term leasehold land RM	Buildings RM	Total RM
Group				
At 31 January 2015				
Cost	5,473,554	3,983,492	8,185,673	17,642,719
Accumulated depreciation	(5,326,526)	(176,720)	(3,502,098)	(9,005,344)
Net carrying amount	147,028	3,806,772	4,683,575	8,637,375
At 31 January 2014				
Cost	5,473,554	3,983,492	8,185,673	17,642,719
Accumulated depreciation	(5,279,567)	(163,005)	(3,351,503)	(8,794,075)
Net carrying amount	193,987	3,820,487	4,834,170	8,848,644

14. Biological assets

	2015 RM	2014 RM
Group		
Cost or valuation		
At beginning and end of year	44,860,000	44,860,000
Representing:		
At valuation	44,860,000	44,860,000
Accumulated amortisation		
At beginning of year	2,716,267	-
Amortisation for the year (Note 8)	2,716,267	2,716,267
At end of year	5,432,534	2,716,267
Net carrying amount		
At valuation	39,427,466	42,143,733

Biological assets were revalued on 25 January 2013 by Jurunilai & Perunding Hartanah Sabah, an independent professional valuer. Fair value is determined by reference to open market values on an existing use basis.

At 31 January 2015, had the revalued biological assets of the Group been carried under the cost model, the net carrying amount would have been RM2,796,214 (2014: RM3,336,311).

NOTES TO THE FINANCIAL STATEMENTS

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15. Investment in subsidiaries

	Company 2015 RM	Company 2014 RM
Unquoted shares, at cost	37,563,852	37,563,852
Accumulated impairment losses	(7,499,422)	(7,499,422)
	30,064,430	30,064,430

Details of the subsidiaries, which are all incorporated and domiciled in Malaysia, are as follows:

Name of subsidiaries	Proportion of ownership interest 2015	Proportion of ownership interest 2014	Principal activities
Cacao Paramount Sdn. Bhd.	100%	100%	Processing of cocoa products, trading of crude palm kernel oil and operation of palm kernel crushing plant and oil palm plantations
Majulah Koko Tawau Sdn. Bhd.	100%	100%	Processing and sale of cocoa butter, cocoa powder and other cocoa products, and trading and export of cocoa beans
Tawau Cocoa Estate Sdn. Bhd.	100%	100%	Operation of oil palm and cocoa plantations

All of the above subsidiary companies are audited by Ernst & Young, Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

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16. Deferred tax

Deferred income tax as at reporting date relates to the following:

	As at 1 February 2013 RM	Recognised in profit or loss RM	As at 31 January 2014 RM	Recognised in profit or loss RM	As at 31 January 2015 RM
Group					
Deferred tax liabilities:					
Property, plant and equipment	12,852,439	(481,829)	12,370,610	(209,237)	12,161,373
Biological assets	11,215,000	(1,080,506)	10,134,494	(671,905)	9,462,589
	24,067,439	(1,562,335)	22,505,104	(881,142)	21,623,962
Deferred tax assets:					
Unutilised tax losses	(4,451,176)	2,255,442	(2,195,734)	713,839	(1,481,895)
Unabsorbed capital allowances	(1,588,828)	(935,020)	(2,523,848)	54,276	(2,469,572)
Others	(79,037)	52,920	(26,117)	(187,923)	(214,040)
	(6,119,041)	1,373,342	(4,745,699)	580,192	(4,165,507)
	17,948,398	(188,993)	17,759,405	(300,950)	17,458,455

	As at 1 February 2013 RM	Recognised in profit or loss RM	As at 31 January 2014 RM	Recognised in profit or loss RM	As at 31 January 2015 RM
Company					
Deferred tax liabilities:					
Property, plant and equipment	3	-	3	(2)	1
Deferred tax assets:					
Unabsorbed capital allowances	(6,152)	1,250	(4,902)	197	(4,705)
	(6,149)	1,250	(4,899)	195	(4,704)

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31 January 2015

16. Deferred tax (continued)

Presented as follows:

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Deferred tax assets	(4,704)	(4,899)	(4,704)	(4,899)
Deferred tax liabilities	17,463,159	17,764,304	-	-
	17,458,455	17,759,405	(4,704)	(4,899)

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2015 RM	2014 RM
Unutilised tax losses	34,430,864	33,304,797

No deferred tax assets were recognised for the above unutilised tax losses in 2014 and 2015 due to uncertainty of their recoverability. The availability of unutilised tax losses for offsetting against future taxable profits of the Group is subject to the guidelines issued by the tax authority under the Income Tax Act, 1967.

The unutilised tax losses are available for offsetting against future taxable business profits of the respective subsidiaries subject to no substantial changes in shareholdings of the subsidiaries under the Income Tax Act, 1967 and guidelines issued by the tax authority.

17. Inventories

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Cost				
Trading goods	3,361,160	-	-	-
Raw materials	498,874	659,865	-	-
Stores and supplies	1,910,400	1,823,733	-	-
Finished goods	15,105,281	27,978,901	-	-
	20,875,715	30,462,499	-	-
Less: Provision for slow-moving inventories	(271,629)	(271,629)	-	-
	20,604,086	30,190,870	-	-

During the year, the amount of inventories recognised as an expense in cost of sales of the Group was RM245,568,285 (2014: RM175,084,852).

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18. Trade and other receivables

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Current				
Trade receivables				
Third parties	24,905,433	3,351,138	-	-
Other receivables				
Amounts due from related parties:				
Subsidiaries	-	-	51,079,892	14,287,499
Related companies	140,284	494,135	-	-
	140,284	494,135	51,079,892	14,287,499
Deposits	230,175	230,175	1,050	1,050
Prepayments	2,554,968	182,695	18,334	18,334
Sundry receivables	511,498	249,101	-	-
	3,436,925	1,156,106	51,099,276	14,306,883
Trade and other receivables	28,342,358	4,507,244	51,099,276	14,306,883
Add: Cash and bank balances (Note 19)	27,480,218	14,738,175	177,004	220,080
Less: Prepayment and non-refundable deposits	(2,564,968)	(192,695)	(18,334)	(18,334)
Total loans and receivables	53,257,608	19,052,724	51,257,946	14,508,629

(a) **Trade receivables**

Trade receivables are generally on 30 to 60 days (2014: 30 to 60 days) terms. Trade receivables are non-interest bearing.

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31 January 2015

18. Trade and other receivables (continued)

(a) Trade receivables (continued)

Ageing analysis of trade receivables

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

	Group	
	2015 RM	2014 RM
Neither past due nor impaired	24,898,210	3,345,138
1 to 30 days past due not impaired	-	-
31 to 60 days past due not impaired	-	-
61 to 90 days past due not impaired	-	-
91 to 120 days past due not impaired	694	-
More than 121 days past due not impaired	6,529	6,000
	7,223	6,000
	24,905,433	3,351,138

Receivables that are neither past due nor impaired
Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired
The Group has trade receivables amounting to RM7,223 (2014: RM6,000) that are past due at the reporting date but not impaired. These receivables are unsecured in nature.

(b) Amounts due from related Company

Related companies comprise companies within the HTG Holdings Sdn. Bhd. group of companies.

The amounts due from related parties earn interest at rates of 6.6% to 6.85% (2014: 6.6%) per annum and are repayable on demand. These amounts are unsecured and are to be settled in cash.

19. Cash and cash equivalents

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Cash at bank and on hand	19,380,218	9,693,175	177,004	220,080
Short-term deposits with licensed banks	8,100,000	5,045,000	-	-
Cash and cash equivalents	27,480,218	14,738,175	177,004	220,080

Certain amounts of cash at bank earn interest at floating rates based on daily bank deposits rates. Short-term deposits are made for varying periods of between one day and three days (2014: one day and seven days) depending on the immediate cash requirements of the Group and the Company and earn interest at the respective short-term deposits rates. The weighted average effective rates per annum for deposits at the end of the financial year are:

	Group		Company	
	2015 %	2014 %	2015 %	2014 %
Licensed banks	2.75	2.50	-	-

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the balance sheet date:

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Cash and bank balances	27,480,218	14,738,175	177,004	220,080
Less: Bank overdrafts	-	(110,219)	-	-
Cash and cash equivalents	27,480,218	14,627,956	177,004	220,080

NOTES TO THE FINANCIAL STATEMENTS

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20. Derivatives

Group	2015 Contract/ notional amount RM	2015 Liabilities RM	2014 Contract/ notional amount RM	2014 Liabilities RM
Non-hedging derivatives:				
Forward currency contracts	7,279,400	(702,200)	7,019,013	(95,646)

The Group uses forward currency contracts to manage some of the transaction exposures. These contracts are not designated as cash flows nor fair value hedges and are entered into for periods consistent with currency transaction exposure and fair value changes exposure. Such derivative do not qualify for hedge accounting.

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

During the financial year, the Group recognised a loss of RM702,200 (2014: RM95,646) arising from fair value changes of derivative liabilities. The fair value changes attributable to changes in foreign exchange rate.

The method and assumptions applied in determining the fair values of derivative are disclosed in Note 27.

NOTES TO THE FINANCIAL STATEMENTS

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21. Loans and borrowings

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Current				
Secured:				
Bankers' acceptances	3,103,000	5,600,000	-	-
Letters of credit	19,601,771	-	-	-
Revolving credit	-	2,000,000	-	-
Term loan	10,158,385	10,280,187	-	-
	32,863,156	17,880,187	-	-
Unsecured:				
Bank overdrafts	-	110,219	-	-
	32,863,156	17,990,406	-	-
Non-current:				
Secured:				
Term loan	8,465,394	17,178,742	-	-
Total borrowings				
Bankers' acceptances	3,103,000	5,600,000	-	-
Bank overdrafts	-	110,219	-	-
Letters of credit	19,601,771	-	-	-
Revolving credit	-	2,000,000	-	-
Term loan	18,623,779	27,458,929	-	-
	41,328,550	35,169,148	-	-

The remaining maturities of the loans and borrowings as at reporting date are as follows:

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
On demand or within one year	32,863,156	17,990,406	-	-
More than 1 year and less than 2 years	8,465,394	9,370,187	-	-
More than 2 years and less than 5 years	-	7,808,555	-	-
	41,328,550	35,169,148	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 January 2015

21. Loans and borrowings (continued)

The average effective interest rates at the balance sheet date for borrowings were as follows:

	Group		Company	
	2015 %	2014 %	2015 %	2014 %
Bank overdrafts	-	7.00	-	-
Bankers' acceptances	3.90	3.41	-	-
Revolving credits	-	3.60	-	-
Term loans	2.35	2.81	-	-
Letters of credit	0.12	-	-	-

The bank overdrafts, bankers' acceptances, revolving credits, letter of credit and term loans as stated above are secured by the assets of the Group (Note 13); corporate guarantees by the Company and the holding company and joint and several guarantees by certain directors of the Group and third parties.

22. Trade and other payables

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Current				
Trade payables				
Third parties	6,772,040	2,812,376	-	-
Amount due to related companies	12,691,006	9,592,531	-	-
	19,463,046	12,404,907	-	-
Other payables				
Amounts due to related parties:				
Holding company	16,748,539	4,712,478	16,748,539	-
Subsidiaries	-	-	19,953,641	-
Related companies	2,088,206	3,608,592	216,035	420,836
	18,836,745	8,321,070	36,918,215	420,836
Accruals	1,506,078	665,622	234,408	228,647
Advances	249,244	-	-	-
Deposits	1,150	1,150	-	-
Sundry payables	791,127	670,168	-	-
	21,384,344	9,658,010	37,152,623	649,483
Total trade and other payables	40,847,390	22,062,917	37,152,623	649,483
Add: Loans and borrowings	41,328,550	35,169,148	-	-
Total financial liabilities carried at amortised cost	82,175,940	57,232,065	37,152,623	649,483

NOTES TO THE FINANCIAL STATEMENTS

31 January 2015

22. Trade and other payables (continued)

(a) Trade payables

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 60 days (2014: 30 to 60 days).

(b) Amounts due to related companies

The amounts due to related companies bear interest at rates ranging between 6.6% to 6.85% (2014: 6.6%) per annum and are repayable on demand. These amounts are unsecured and are to be settled in cash.

(c) Sundry payables

These amounts are non-interest bearing and have no fixed term of repayment.

(d) Amounts due to holding company

The amounts due to holding company bear interest at rates ranging between 6.6% to 6.85% (2014: 6.6%) per annum and are repayable on demand. These amounts are unsecured and are to be settled in cash.

23. Share capital

	Number of ordinary shares of RM1 each		Amount	
	2015	2014	2015 RM	2014 RM
Authorised				
At beginning and end of year	100,000,000	100,000,000	100,000,000	100,000,000
Issued and fully paid				
At beginning and end of year	40,096,902	40,096,902	40,096,902	40,096,902

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

24. Asset revaluation reserve

This reserve includes the cumulative net change, net of deferred tax effects, arising from the revaluation of biological assets, plantation infrastructure, leasehold land and buildings above their cost.

NOTES TO THE FINANCIAL STATEMENTS

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25. Retained earnings

Under the single tier tax system which came into effect on 1 January 2014, companies are not required to have tax credits under Section 108 of the Income Tax Act, 1967 for dividend payment purposes. Dividends paid under this system are tax exempt in the hands of shareholders.

The balance of the entire retained earnings as at 31 January 2015 may be distributed as dividends under the single tier system.

26. Related party disclosures

(a) Sale and purchase of goods and services

In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Note	2015 RM	2014 RM
Group			
Holding company:			
Interest received	(iii)	-	338,929
Interest paid	(iii)	1,562,764	516,253
Related companies:			
Administrative fee paid		36,000	42,400
Commission fees paid	(ii)	106,433	102,657
Electricity and water charges paid	(ii)	3,706,844	3,018,181
Freight and handling charges received	(iv)	512,629	443,750
Interest received	(iii)	70,895	4,485
Interest paid	(iii)	797,362	559,734
Rental of computer paid	(ii)	70,984	67,369
Rental received	(i)	170,400	165,000
Rental paid	(ii)	2,196,192	2,195,760
Insurance paid	(ii)	151,290	261,363
Sale of property, plant and equipment		-	5,000
Sale of crude palm kernel oil	(i)	121,934,406	98,988,010
Sale of oil palm fresh fruit bunches (FFB)	(i)	8,700,900	8,226,313
Sale of chocolate product	(i)	1,089,954	1,091,432
Sale of cocoa powder	(i)	693,026	647,913
Purchase of goods	(ii)	2,138,964	1,238,819
Purchase of palm kernel	(ii)	78,199,921	64,936,363
Freight and handling charges paid to an associated company of the holding company	(iv)	39,930	48,091

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26. Related party disclosures (continued)

(a) Sale and purchase of goods and services (continued)

	Note	2015 RM	2014 RM
Company			
Holding company:			
Interest received	(iii)	-	50,746
Subsidiaries:			
Administrative fees received		756,000	840,000
Interest received	(iii)	968,396	853,153
Related companies:			
Rental of computer	(ii)	7,500	7,595
Insurance paid	(ii)	1,818	1,536

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

(i) The sale of products and rendering of services to subsidiaries and related companies were made according to the published prices and conditions offered to the major customers of the Group and the Company, except that a longer credit period is normally granted.

Information on significant sale transactions with related companies is as follows:

(a) Sales of crude palm kernel oil

These are respect of crude palm kernel oil sold to Teck Guan (China) Ltd

(b) Sales of oil palm FFB

Oil palm FFB were sold to the following related companies:
- Sungai Burung Industries Sdn. Bhd.
- Tri-Grow Sdn. Bhd.
- Konsep Muktamad Sdn. Bhd.
- Prosperous Sebatik Sdn. Bhd.

(c) Sales of chocolate product and cocoa powder

These are respect of chocolate product and cocoa powder sold to Teck Guan Trading Sdn. Bhd.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2015

26. Related party disclosures (continued)

(a) Sale and purchase of goods and services (continued)

(ii) The purchase of products and services from related companies were made according to the published prices and conditions offered by these related parties to their major customers, except that a longer credit period is normally granted.

Information on significant purchase of products and services from related companies is as follows:

(a) Purchase of palm kernel

Palm kernel were purchased from the following related companies:
- Atlantica Sdn. Bhd.
- Brantian Palm Oil Sdn. Bhd.
- Konsep Muktamad Sdn. Bhd.
- Sungai Burung Industries Sdn. Bhd.
- Prosperous Sebatik Sdn. Bhd.

(b) Rental paid

Rental expenses were paid to the following related companies:
- Jolly Land Sdn. Bhd.
- Teck Guan Industries Sdn. Bhd.
- Teck Guan Trading Sdn. Bhd.
- Teck Guan Sdn. Bhd.

(c) Purchase of goods

Goods were purchased from the following related companies:
- Teck Guan Trading Sdn. Bhd. (Chemical)
- Teck Guan Sdn. Bhd. (Diesel and lubricant)
- Bestbricks (Sabah) Sdn. Bhd. (Fertilizer)
- Teck Guan Industries Sdn. Bhd. (Fertilizer)

(d) Electricity and water charges

Electricity and water charges were paid to the following related companies:
- Jolly Land Sdn. Bhd.
- Evergreen Intermerge Sdn. Bhd.

(iii) The interest income and interest expense arose from the amounts due from/(to) related parties.

(iv) The directors consider that the freight and handling charges paid were made according to the published prices and conditions similar to those offered to the major customers of the related parties.

Information regarding outstanding balances arising from related party transactions as at 31 January 2015 is disclosed in Note 18 and Note 22.

26. Related party disclosures (continued)

(b) Compensation of key management personnel

The remuneration of directors who are also the members of key management during the year was as follows:

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Short-term employee benefits	367,092	459,438	364,692	449,688
Post-employment benefits:				
Defined contribution plan	31,983	40,387	31,827	39,839
Total directors' remuneration (Note 10)	399,075	499,825	396,519	489,527

27. Fair value of financial instruments

(a) Fair value of financial instruments that are carried at fair value

The following table shows an analysis of financial instruments carried at fair value by level of fair value hierarchy:

Group	Quoted price in active markets for identical instruments (Level 1) RM	Significant other observable inputs (Level 2) RM	Total RM
2015			
Financial liabilities			
Derivatives			
- Forward currency contracts	-	702,200	702,200
2014			
Financial liabilities			
Derivatives			
- Forward currency contracts	-	95,646	95,646

NOTES TO THE FINANCIAL STATEMENTS

31 January 2015

27. Fair value of financial instruments (continued)

(a) Fair value of financial instruments that are carried at fair value (continued)

Fair value hierarchy

The Group classifies fair value measurement using a fair value hierarchy that reflect the significance of the inputs used in making the measurements.The fair value hierarchy have the following levels:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices), and

- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The Group does not have any financial assets or financial liabilities measured at level 1 and level 3 hierarchy.

Methods and assumptions used to determine fair values

The methods and assumptions used by management to determine fair values of financial instruments other than those whose carrying amounts reasonably approximate their fair values as mentioned in Note 27(b), are as follows:

Financial assets and liabilities	Methods and assumptions
• Forward currency contracts	Fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

(b) Determination of fair value

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The followings are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade and other receivables (current)	18
Trade and other payables (current)	22
Loans and borrowings (current and non-current)	21

27. Fair value of financial instruments (continued)

(b) Determination of fair value (continued)

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The carrying amounts of the current portion of loans and borrowings are reasonable approximation of fair value due to the insignificant impact of discounting.

The fair values of current loans and borrowings are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

28. Financial risk management objectives and policies

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

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

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

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

(a) Credit risk

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

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2015

28. Financial risk management objectives and policies (continued)

(a) Credit risk (continued)

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Credit risk concentration profile

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

	Group			
	2015		2014	
	RM	% of total	RM	% of total
By country:				
Lebanon	1,977	-	-	-
Philippines	130,608	1	-	-
Malaysia	143,883	1	138,498	3
People's Republic of China	14,483,066	58	-	-
Singapore	10,145,899	40	3,212,640	97
	24,905,433	100	3,351,138	100

Financial assets that are neither past due nor impaired

Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 18. Deposits with banks and other financial institutions, and short-term investment that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due nor impaired is disclosed in Note 18.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2015

28. Financial risk management objectives and policies (continued)

(b) Liquidity risk

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

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted amounts:

	2015		
	On demand or within one year RM	One to five years RM	Total RM
Group			
Financial liabilities:			
Derivatives	702,200	-	702,200
Trade and other payables	40,847,390	-	40,847,390
Loan and borrowings	33,190,702	8,556,380	41,747,082
Total undiscounted financial liabilities	74,740,292	8,556,380	83,296,672

	2014		
	On demand or within one year RM	One to five years RM	Total RM
Group			
Financial liabilities:			
Derivatives	95,646	-	95,646
Trade and other payables	22,062,917	-	22,062,917
Loans and borrowings	18,457,746	17,524,465	35,982,211
Total undiscounted financial liabilities	40,616,309	17,524,465	58,140,774

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31 January 2015

28. Financial risk management objectives and policies (continued)

(b) Liquidity risk (continued)

	2015		
	On demand or within one year RM	One to five years RM	Total RM
Company			
Financial liabilities:			
Trade and other payables, excluding financial guarantees*	450,443	-	450,443
Total undiscounted financial liabilities	450,443	-	450,443

	2014		
	On demand or within one year RM	One to five years RM	Total RM
Company			
Financial liabilities:			
Trade and other payables, excluding financial guarantees*	649,483	-	649,483
Total undiscounted financial liabilities	649,483	-	649,483

* At the reporting date, the counterparties to the financial guarantees do not have a right to demand cash as the defaults have not occurred. Accordingly, financial guarantees under the scope of FRS 139 are not included in the above maturity profile analysis.

28. Financial risk management objectives and policies (continued)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from loans and borrowings and loans at floating rates to or from related parties.

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

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been basis 25 points lower/higher, with all other variables held constant, the Group's loss net of tax would have been RM110,908 higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings, and higher/lower interest income and expense on floating rates loan to or from related parties. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(d) Foreign currency risk

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

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

Approximately 80% (2014: 93%) of the Group's sales are denominated in foreign currencies whilst and 73% (2014: 74%) of cost of sales are denominated in RM. The Group's trade receivable and trade payable balances at the reporting date have similar exposures.

The Group has also hold cash and cash equivalents denominated in foreign currencies for working capital purposes. At the reporting date, such foreign currency balances (mainly in USD) amounted to RM12,272,513 (2014: RM7,872,573) for the Group.

The Group requires all of its operating entities to use forward currency contracts to eliminate the currency exposures on any individual transactions for which payment is anticipated more than one month after the Group has entered into a firm commitment for a sale or purchase. The forward currency contracts must be in the same currency as the hedged item. It is the Group's policy not to enter into forward contracts until a firm commitment is in place. It is the Group's policy to negotiate the terms of the hedge derivatives to match the terms of the hedged item to maximise hedge effectiveness.

28. Financial risk management objectives and policies (continued)

(d) Foreign currency risk (continued)

Sensitivity analysis for foreign currency risk

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

	Loss net of tax	
	Group 2015	Company 2015
RM/USD - strengthened 5%	5,444,039	-
- weakened 5%	(5,444,039)	-

(e) Market price risk

The Group is exposed to market price risk arising from its operations. The market price of plantation produce, cocoa beans, palm kernel oil and palm kernel expeller is determined by the supply, pricing and demand for competing vegetable oils. These factors can result in fluctuations in the market price.

29. Capital management

The primary objective of the Group's capital management is to ensure that it maintains good credit rating and healthy capital ratios in order to support a balanced growth objective in its business and to maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions, business strategies and future commitments on a continuous basis. To achieve this objective, the Group may adjust the dividend payment to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 January 2015 and 31 January 2014.

The Group monitors capital using a gearing ratio, which is net debts divided by total capital plus net debt. The Group's policy is to keep the gearing ratio below 75%. The Group includes within net debt, loans and borrowings, trade and other payables, less cash and bank balances. Capital includes equity attributable to the owners of the Company.

29. Capital management (continued)

		Group		Company	
	Note	2015 RM	2014 RM	2015 RM	2014 RM
Loans and borrowings	21	41,328,550	35,169,148	-	-
Trade and other payables	22	40,847,390	22,062,917	450,443	649,483
Less: Cash and bank balances	19	(27,362,547)	(14,738,175)	(177,004)	(220,080)
Net debt		54,813,393	42,493,890	273,439	429,403
Equity attributable to owners of the Company		75,094,055	77,148,917	44,159,461	43,911,897
Total capital		75,094,055	77,148,917	44,159,461	43,911,897
Capital and net debt		129,907,448	119,642,807	44,432,900	44,341,300
Gearing ratio		42%	36%	1%	1%

30. Segment information

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

(i) Cocoa products segment – manufacturing and sale of cocoa products, and trading and sale of dried cocoa beans.

(ii) Oil palm products segment – Operation of oil palm plantations, operation of kernel crushing plant;

(iii) Corporate segment – Group-level corporate service and treasury functions.

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

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

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

Segment analysis by geographical location has not been prepared as the Group's operations are predominantly conducted in Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

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30. **Segment information (continued)**

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segment:

	Cocoa products		Oil palm products		Corporate		Adjustment and elimination		Note	Per consolidated financial statements	
	2015 RM	2014 RM	2015 RM	2014 RM	2015 RM	2014 RM	2015 RM	2014 RM		2015 RM	2014 RM
Revenue:											
External customers	7,317,040	9,637,760	256,735,349	192,619,762	-	-	-	-		264,052,389	202,257,522
Inter-segment	49,738	40,309	-	-	-	-	(49,738)	(40,309)	A	-	-
	7,366,778	9,678,069	256,735,349	192,619,762	-	-	(49,738)	(40,309)		264,052,389	202,257,522
Results:											
Interest income	12,618	23,977	1,890,434	3,678,788	968,396	903,899	(2,560,991)	(4,097,960)	A	310,457	508,704
Depreciation and amortisation	308,197	362,637	4,425,732	4,433,120	-	-	-	-		4,733,929	4,795,757
Segment (loss)/profit	177,571	425,295	460,125	9,492,959	(1,348,111)	(1,252,499)	-	-		(710,415)	8,665,755
Assets:											
Additions to non-current assets	-	560	1,099,530	987,416	-	-	-	-	B	1,099,530	987,976
Segment assets	27,325,797	29,376,669	148,485,610	123,036,313	196,394	239,470	4,704	4,899	C	176,012,505	152,657,351
Liabilities:											
Segment liabilities	17,225,718	3,283,231	23,873,429	18,225,849	450,443	649,483	59,368,860	53,349,871	D	100,918,450	75,508,434

NOTES TO THE FINANCIAL STATEMENTS

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30. Segment information (continued)

Notes: Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements.

A Inter-segment revenues are eliminated on consolidation.

B Additions of non-current assets consist of:

	2015 RM	2014 RM
Property, plant and equipment	1,099,530	987,976

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

	2015 RM	2014 RM
Deferred tax assets	4,704	4,899

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

	2015 RM	2014 RM
Deferred tax liabilities	17,463,159	17,764,304
Borrowings	41,328,550	35,169,148
Income tax payable	577,151	416,419
	59,368,860	53,349,871

31. Authorisation of financial statements for issue

The financial statements for the year ended 31 January 2015 were authorised for issue in accordance with a resolution of the directors on 26 May 2015.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2015

32. Supplementary information – breakdown of retained profits into realised and unrealised

The breakdown of the (accumulated losses)/retained earnings of the Group and of the Company as at 31 January 2015 into realised and unrealised profits/(losses) is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	2015	
	Group RM	Company RM
Total (accumulated losses)/retained earnings of the Company and its subsidiaries		
- Realised	5,625,162	4,050,855
- Unrealised	(17,458,455)	4,704
	(11,833,293)	4,055,559
Less: Consolidation adjustments	(5,463,030)	-
(Accumulated losses)/retained earnings as per financial statements	(17,296,323)	4,055,559

	2014	
	Group RM	Company RM
Total (accumulated losses)/retained earnings of the Company and its subsidiaries		
- Realised	5,928,106	3,803,096
- Unrealised	(17,759,405)	4,899
	(11,831,299)	3,807,995
Less: Consolidation adjustments	(5,463,030)	-
(Accumulated losses)/retained earnings as per financial statements	(17,294,329)	3,807,995

TECK GUAN PERDANA BERHAD

(Company No. 307097-A)
(Incorporated in Malaysia)
Registered Office: 318, Teck Guan Regency, Jalan St. Patrick, Off Jalan Belunu, 91000 Tawau, Sabah.

Number of Shares

Form of Proxy

I/We,____
(Please use block letters)

of____
(Full address)

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

______________________of____

or failing him/her____

of____

as my/our proxy to vote for me/us on my/our behalf at the Twenty-First Annual General Meeting of the Company, to be held at Theobroma Conference Room, First Floor, Hotel Emas, Jalan Utara, 91000 Tawau, Sabah on Thursday, 30 July 2015 at 9.00 a.m. and at any adjournment thereof.

No.	Resolutions	For	Against
1.	To receive the Audited Financial Statements for the year ended 31 January 2015 together with the Reports of the Directors and Auditors thereon.		
2.	To approve Directors' fees amounting to RM 36,000.00 for the year ended 31 January 2015.		
3.	To re-elect Mr. Tang Amiy @ Tang Ah Mei who retires as a Director of the Company pursuant to Article 93 of the Company's Articles of Association.		
4.	To re-elect Mr. Wong Peng Mun who retires as a Director of the Company pursuant to Article 93 of the Company's Articles of Association.		
5.	To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration.		
6.	Business: - Continuation in office for Mr. Tham Vui Vun as Independent Non-Executive Director.		
7.	Special Business: - Approval to issue new ordinary shares pursuant to Section 132D of the Companies Act, 1965.		
8.	Special Business:- Proposed Renewal of Shareholders' Mandate for Existing 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 thinks fit.)

____
Signature of Shareholder(s)

Dated this ______________ day of ________________2015.

Notes:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint proxy/proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1) (b) of the Companies Act, 1965 shall not apply to the Company. 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. 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.

3. 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, not less than 48 hours before the time for holding the Meeting.

4. A member shall be entitled to appoint more than one proxy to attend and vote at the same meeting, provided that the provisions of Section 149(1) (c) of the Companies Act, 1965 are complied with.

5. Where a member appoints more that one proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

6. If the appointor is a corporation, the proxy form must be executed under its Common Seal or under the hand of its attorney.

TECK GUAN PERDANA BERHAD
(Incorporated in Malaysia) Company No. 307097-A

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