



TECK GUAN PERDANA BERHAD

199401021418 (307097 - A)

UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 APRIL 2022

TECK GUAN PERDANA BERHAD

199401021418 (307097-A)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL PERIOD (1st quarter)		CUMULATIVE PERIOD	
	Current Year Quarter 30/04/2022 RM'000	Preceding Year Corresponding Quarter 30/04/2021 RM'000	Current Year Todate 30/04/2022 RM'000	Preceding Year Corresponding Period 30/04/2021 RM'000
Revenue	32,832	55,593	32,832	55,593
Cost of sales	(30,011)	(54,220)	(30,011)	(54,220)
Gross profit	2,821	1,373	2,821	1,373
Other operating expenses	(3,432)	(1,152)	(3,432)	(1,152)
Administrative expenses	(1,331)	(1,147)	(1,331)	(1,147)
Operating loss	(1,942)	(926)	(1,942)	(926)
Interest income	98	65	98	65
Finance costs	(518)	(429)	(518)	(429)
Loss before tax	(2,362)	(1,290)	(2,362)	(1,290)
Taxation	(252)	(240)	(252)	(240)
Loss net of tax	(2,614)	(1,530)	(2,614)	(1,530)
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive loss for the period	(2,614)	(1,530)	(2,614)	(1,530)

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

	INDIVIDUAL PERIOD (1st quarter)		CUMULATIVE PERIOD	
	Current Year Quarter 30/04/2022 RM'000	Preceding Year Corresponding Quarter 30/04/2021 RM'000	Current Year To date 30/04/2022 RM'000	Preceding Year Corresponding Period 30/04/2021 RM'000
Loss attributable to:				
Owners of the Company	<u>(2,614)</u>	<u>(1,530)</u>	<u>(2,614)</u>	<u>(1,530)</u>
Total comprehensive loss attributable to:				
Owners of the Company	<u>(2,614)</u>	<u>(1,530)</u>	<u>(2,614)</u>	<u>(1,530)</u>
Loss per share attributable to owners of the Company:				
Basic, for the period (Sen)	(6.52)	(3.82)	(6.52)	(3.82)
Diluted, for the period (Sen)	na	na	na	na

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

TECK GUAN PERDANA BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As At End Of Current Quarter 30/04/2022 RM'000	As At Preceding Financial Year End 31/01/2022 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	47,645	37,541
Right-of-use assets	11,515	11,942
Deferred tax assets	1,307	1,307
	<hr/> 60,467	<hr/> 50,790
Current Assets		
Biological assets	605	458
Inventories	141,904	47,431
Trade and other receivables	16,891	80,161
Cash and bank balances	17,327	40,164
Derivatives	1	10
Tax recoverable	873	-
	<hr/> 177,601	<hr/> 168,224
TOTAL ASSETS	<hr/> 238,068	<hr/> 219,014
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	40,104	40,104
Retained earnings	35,866	38,480
Total Equity	<hr/> 75,970	<hr/> 78,584
Non-Current Liabilities		
Term Loan	9,550	9,550
Deferred tax liabilities	3,679	3,859
Lease liabilities	10,839	11,243
	<hr/> 24,068	<hr/> 24,652
Current Liabilities		
Loans and borrowings	54,995	60,061
Trade and other payables	76,343	54,017
Derivative	4,289	-
Lease liabilities	1,585	1,566
Income tax payable	818	134
	<hr/> 138,030	<hr/> 115,778
TOTAL LIABILITIES	<hr/> 162,098	<hr/> 140,430
TOTAL EQUITY & LIABILITIES	<hr/> 238,068	<hr/> 219,014
NET ASSETS PER SHARE (SEN)	189.47	195.98

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

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to owners of the Company →		
	Non-distributable	Distributable	
	Share Capital RM'000	Retained Earnings RM'000	Equity, Total RM'000
Opening balance at 1 February 2022	40,104	38,480	78,584
Total comprehensive loss for the period	-	(2,614)	(2,614)
Closing balance at 30 April 2022	40,104	35,866	75,970
Opening balance at 1 February 2021			
- as previously reported	40,104	20,116	60,220
- prior year adjustment	-	(1,367)	(1,367)
Total comprehensive income for the year	-	19,731	19,731
Closing balance at 31 January 2022	40,104	38,480	78,584

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

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current Year To Date 30/04/2022 RM'000	Preceding Year Corresponding Period 30/04/2021 RM'000
Operating activities		
Loss before taxation	(2,362)	(1,290)
<u>Adjustments for:</u>		
Amortisation of biological assets	85	84
Gain on disposal of property, plant and equipment	(3)	(1)
Depreciation of property, plant and equipment	866	864
Net fair value loss/(gain) on forward currency contracts	4,298	(889)
Net unrealised gain on foreign exchange	(300)	(19)
Net fair value gain on biological assets	(147)	(224)
Interest income	(98)	(65)
Interest expense	518	429
Total adjustments	<u>5,219</u>	<u>179</u>
Operating cash flows before changes in working capital	2,857	(1,111)
<u>Changes in working capital:</u>		
Inventories	(94,473)	(35,705)
Trade and other receivables	63,500	(16,896)
Trade and other payables	22,354	16,159
Total changes in working capital	<u>(8,619)</u>	<u>(36,442)</u>
Cash flows used in operations	(5,762)	(37,553)
Interest paid	(518)	(429)
Interest received	98	65
Income tax paid	(1,032)	(538)
Income tax refunded	411	-
Net cash flows used in operating activities	<u>(6,803)</u>	<u>(38,455)</u>

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	Current Year To Date 30/04/2022 RM'000	Preceding Year Corresponding Period 30/04/2021 RM'000
Investing activities		
Purchase of property, plant and equipment	(10,564)	(31)
Plantation development expenditure	(68)	-
Proceeds from disposal of property, plant and equipment	7	1
Net cash flows used in investing activities	<u>(10,625)</u>	<u>(30)</u>
Financing activities		
Drawdown of letter of credits	-	11,145
Repayment of letter of credits	-	(13,144)
Proceeds from bankers' acceptances	66,739	26,273
Repayment of bankers' acceptances	(71,430)	(25,942)
Repayment of lease liabilities	(384)	(365)
Net cash flows used in financing activities	<u>(5,075)</u>	<u>(2,033)</u>
Net decrease in cash and cash equivalents	<u>(22,503)</u>	<u>(40,518)</u>
Effect of exchange rate changes on cash and cash equivalents	42	24
Cash and cash equivalents at beginning of the period	39,280	51,558
Cash and cash equivalents at end of the period	<u>16,819</u>	<u>11,064</u>
	As At 30/04/2022	As At 30/04/2021
*Cash and cash equivalents at end of the period consists of:		
Cash and bank balances	17,327	11,432
Bank overdrafts	(508)	(368)
	<u>16,819</u>	<u>11,064</u>

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

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NOTES TO INTERIM FINANCIAL STATEMENTS

1. Basis of preparation

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

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

2. Accounting policies

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

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

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

2. Accounting policies (continued)

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

Description	Effective for annual periods beginning on or after
MFRS 17: Insurance Contracts and Amendments to MFRS 17	1 January 2023
Amendments to MFRS 17: Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023
Amendments to MFRS 101 and MFRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-Current	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

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

3. Audit report

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

4. Seasonal and cyclical factors

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

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

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

6. Changes in estimates

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

7. Debt and equities securities

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

8. Dividend paid

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

9. Segmental reporting

Segment analysis for the period ended 30 April 2022 is set out below:

	Palm Oil Products RM'000	Cocoa Products RM'000	Consolidated RM'000
Revenue	28,400	4,432	32,832
Results			
Segment results	(1,961)	438	(1,523)
Unallocated corporate expenses			(321)
Finance cost			(518)
Profit before tax			<u>(2,362)</u>
Assets			
Segment assets	218,709	18,999	237,708
Unallocated assets			361
			<u>238,069</u>
Liabilities			
Segment liabilities	123,862	120	123,982
Unallocated liabilities			38,116
			<u>162,098</u>
Other information			
Capital expenditure	10,450	114	10,564
Depreciation	821	45	866
Amortisation	85	-	85

Palm Oil Products

The palm oil products segment remained the Group's main source of revenue, which contributed 86.50% of the revenue of the Group in the current quarter.

For the quarter under review, revenue for this segment decreased to RM28.40 million from RM53.45 million in the preceding year corresponding quarter. The decrease was mainly attributed to the decrease in both sales volume and selling price.

The operating loss for the current quarter deteriorated to RM1.96 million from RM0.86 million in the preceding year corresponding quarter. The increase was primarily attributed to the net fair value loss on forward currency contracts amounting to RM4.29 million arise in the current quarter.

Cocoa Products

Cocoa products segment contributed 13.50% to the revenue of the Group as compared to 3.86% in the preceding year corresponding quarter.

10. Changes in composition of the Group

There are no changes in the composition of the Company and the Group for the financial quarter ended 30 April 2022.

11. Discontinued operation

There was no discontinued operation during the quarter ended 30 April 2022.

12. Capital commitment

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

13. Contingent liabilities

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

14. Material related party transactions

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

	3 months ended 30 April 2022 RM'000
Purchase of palm kernel	34,282
Purchase of palm oil related products	6,792
Purchase of fertilizers, chemicals, etc.	722
Rental on factory building and infrastructures	576
Sales of palm oil related products	4,095
Sales of fresh fruit bunches	2,988
Sales of palm kernel expeller	126
Sales of cocoa powder	228
Sales of chocolate products	402

15. Subsequent Events

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

16. Review of Group's Performance

	INDIVIDUAL PERIOD (1st quarter)		Changes %	CUMULATIVE PERIOD		Changes %
	Current Year Quarter 30/04/2022 RM'000	Preceding Year Corresponding Quarter 30/04/2021 RM'000		Current Year To date 30/04/2022 RM'000	Preceding Year Corresponding Period 30/04/2021 RM'000	
	Revenue	32,832		55,593	-41%	
Gross profit	2,821	1,373	105%	2,821	1,373	105%
Operating loss	(1,942)	(926)	-110%	(1,942)	(926)	-110%
Loss before tax	(2,362)	(1,290)	-83%	(2,362)	(1,290)	-83%
Loss net of tax	(2,614)	(1,530)	-71%	(2,614)	(1,530)	-71%
Loss attributable to ordinary equity holders of the Parent	(2,614)	(1,530)	-71%	(2,614)	(1,530)	-71%

For the current quarter under review, revenue for the Group decreased by 41% from RM55.59 million to RM32.83 million as compared with preceding year corresponding quarter. The decrease was mainly attributed to the decrease in both sale volume and selling price. The operating loss deteriorated from RM0.93 million to RM1.94 million compared with preceding year corresponding quarter, the decrease was mainly attributed to the net fair value loss on forward currency contracts amounting to RM4.29 million arise in the current quarter.

17. Comment On Material Changes In Profit Before Tax

	Current Quarter 30/04/2022 RM'000	Immediate Preceding Quarter 31/01/2022 RM'000	Changes %
Revenue	32,832	325,242	-90%
Gross profit	2,821	21,548	-87%
Operating (loss)/profit	(1,942)	19,324	-110%
(Loss)/profit before tax	(2,362)	18,945	-112%
(Loss)/profit net of tax	(2,614)	15,177	-117%
(Loss)/profit attributable to ordinary equity holders of the Parent	(2,614)	15,177	-117%

The Group registered a loss before tax of RM2.36 million as compared with a profit before tax of RM18.95 million in the immediate preceding quarter. The decrease was primarily attributed to the net fair value loss on forward currency contracts amounting to RM4.29 million arise in the current quarter.

18. Current Year Prospects

The current palm-based products market remains challenging which affected by the recent Indonesian Government in its attempt to control the domestic supply of vegetable and edible oils and their prices coupled with uncertainty in leaping changing global economies.

Nevertheless the Management is cautiously optimistic on the long term prospects of the palm-based industry despite influenced by movements in commodity prices, rising production costs and labour shortage situation in Malaysia. The Group will continue to focus on enhancing productivity and operating cost efficiency so as to achieve sustainable growth.

19. Profit Forecast

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

20. Profit Before Tax

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

	Quarter Ended 30/04/2022 RM'000	Year-to-date 30/04/2022 RM'000
Interest Income	(98)	(98)
Interest Expenses	518	518
Rental Income	(84)	(84)
Depreciation and amortisation	951	951
Net fair value loss on forward currency contracts	4,289	4,289
Net gain on foreign exchange		
- realised	(251)	(251)
- unrealised	(300)	(300)
Rental of premises	11	11
Rental of equipment	23	23

21. Taxation

	Current Quarter 30/04/2022 RM'000	Year-To-Date 30/04/2022 RM'000
Taxation for the current period	432	432
Deferred taxation for the current period	(180)	(180)
	<u>252</u>	<u>252</u>

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

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

23. Quoted Securities

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

24. Corporate Proposals

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

25. Loans and borrowings

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

	As at 30/04/2022 RM'000	As at 30/04/2021 RM'000
Current Secured:		
Bankers' acceptances	54,487	31,346
Letter of credit	-	4,251
Lease liabilities	1,585	1,508
	56,072	37,105
Unsecured:		
Bank overdrafts	508	368
	56,580	37,473
Non-current Secured:		
Term loan	9,550	9,550
Lease liabilities	10,839	12,425
	20,389	21,975
Total	76,969	59,448

26. Derivatives

Type of derivative	Contract/ notional amount as at 30/04/2022 RM'000	Fair value liabilities as at 30/04/2022 RM'000
Non-hedging derivatives		
Forward currency contracts		
- Less than 1 year	141,554	(4,289)
	141,554	(4,289)

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

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

27. Financial Instruments

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

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

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

Functional currency of the Group	United States Dollar RM'000	Euro RM'000	Total RM'000
Trade and other receivables	12,433	-	12,433
Cash and bank balances	1,214	-	1,214
Trade and other payables	(3,127)	(1,027)	(4,154)
Loans and borrowings	-	-	-
Total	10,520	(1,027)	9,493

28. Material Litigation

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

29. Dividends

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

30. Earnings Per Share

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

	Current Year Quarter 30/04/2022	Preceding Year Corresponding Quarter 30/04/2021	Current Year Todate 30/04/2022	Preceding Year Corresponding Period 30/04/2021
Loss for the period (RM'000)	(2,614)	(1,530)	(2,614)	(1,530)
Weighted average number of ordinary shares in issue ('000)	40,097	40,097	40,097	40,097
Basic loss per share (Sen)	<u>(6.52)</u>	<u>(3.82)</u>	<u>(6.52)</u>	<u>(3.82)</u>

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

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

31. Authorisation for issue

The unaudited interim financial statements were authorised for issue by the Board of Directors on 21 June 2022.