



# TPC PLUS BERHAD

(Company No. 615330-T)

## **A. Selected explanatory notes pursuant to FRS 134 Interim Financial Reporting**

### **A1. Basis of preparation**

The interim financial statements are unaudited and have been prepared in compliance with FRS 134 – Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the period ended 31 December 2014. These explanation 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 period ended 31 December 2014.

### **A2. Changes in Accounting Policies**

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 31 December 2014, except for the adoption of the following new FRSS, Amendments to FRSS, and IC Interpretations that are effective for the Group from 1 January 2014:

#### **FRSS and IC Interpretations (Including The Consequential Amendments)**

Amendments to FRS 119 : Defined Benefit Plans-Employee Contributions

Annual Improvements to FRSS 2010-2012 Cycle

Annual Improvements to FRSS 2011-2013 Cycle

The above accounting standards and interpretations (including the consequential amendments) do not have any material impact on the Group's financial statements.

The Malaysian Accounting Standards Board ("MASB") has issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards Framework ("MFRSs") that are to be applied by all entities other than private entities; with the exception of entities that are within the scope of MFRS 141 (Agriculture) and IC Interpretation15 (Agreements for Construction of Real Estate), including its parent, significant investor and venture (herein called "transitioning entities").

As announced by MASB on 2 September 2014, the transitioning entities are allowed to defer the adoption of MFRSs to annual periods beginning on or after 1 January 2017.



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## **Significant Accounting Policies (“Continued”)**

Accordingly, as a transitioning entity as defined above the Group has chosen to defer the adoption of MFRSs and will only prepare its first set of MFRS financial statements for the financial year ending 31 December 2017. The Group is currently assessing the possible financial impacts that may arise from the adoption of MFRSs and the process is still ongoing.

### **A3. Auditors’ report**

The auditors’ report on the financial statements for the year ended 31 December 2014 was not qualified.

### **A4. Seasonal And Cyclical Factors**

The business operations of the Group are not significantly affected by any seasonal or cyclical factors.

### **A5. Unusual Items Due to Their Nature, Size or Incidence**

There were no items affecting assets, liabilities, equity, net income, or cash flows of the Group that were unusual because of their nature, size, or incidence.

### **A6. Changes in Estimates**

There were no changes in estimates of amounts reported in the current interim period of the current financial year.

### **A7. Debt and Equity Securities**

There were no issuances, cancellations, repurchase, resale or repayment of debt and equity securities.

### **A8. Dividends Paid**

No dividend was paid in the current quarter under review.

### **A9. Segmental Information**

There was no segmental analysis for the period under review as the Company is principally involved in poultry farming for the production of eggs for sale, which is predominantly carried out in Malaysia.

### **A10. Valuation of Property, Plant and Equipment**

There were no valuations carried out on property, plant and equipment of the Group during period ended 31 December 2014.



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## A11. Material Subsequent Events

There were no material events subsequent to the end of the current quarter that have not been reflected in the current financial statements.

## A12. Change in the Composition of the Group

There were no other changes in the composition of the Group for the current financial quarter under review.

## A13. Change in Contingent Liabilities and Contingent Assets

Changes in material contingent liabilities of the Group and Company since 31 December 2014 were as follows:

	Group		Company	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	RM'000	RM'000	RM'000	RM'000
Guarantees granted by the Company to third parties for credit facilities extended to subsidiaries	Nil	Nil	43,500	41,500
Outstanding guarantees granted by the Company to third parties for credit facilities extended to subsidiaries	Nil	Nil	36,811	38,828



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## ***B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad***

### **B1. Performance Review**

	<b>Current Quarter</b>	<b>Cumulative Quarter</b>
	<b>31/3/15</b>	<b>31/3/15</b>
	<b>RM'000</b>	<b>RM'000</b>
Revenue	23,805	23,805
Profit before tax	1,832	1,832

For the current year quarter ended 31 March 2015, the Group generated a revenue RM23.805 million which represent 13.19% increase over that of RM21.031 million for the corresponding quarter ended 31 March 2014.

The Group recorded a pretax profit of RM 1.832 million for the quarter period ended 31 March 2015 compared to a pretax profit of RM 1.657 million in the corresponding quarter last year. The improved performance was attributed to better selling price couple with higher egg production and stable feed price.

### **B2. Comparison With The Preceding Quarter's Results**

	<b>Individual Period</b>	
	<b>Current Quarter</b>	<b>Immediate Preceding Quarter</b>
	<b>31/3/15</b>	<b>31/12/14</b>
	<b>RM'000</b>	<b>RM'000</b>
Revenue	23,805	23,757
Profit before tax	1,832	1,546

For the current quarter ended 31 March 2015, the Group recorded an increase in revenue from RM23.757 million to RM23.805 million due to the higher egg production quantity.

In line with the increase in revenue, the Group's registered a pretax profit of RM1.832 million for the current quarter compared to the preceding quarter pretax profit of RM1.546 million representing an increase of approximately 18.50% in the current quarter.



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## B3. Commentary on the Prospects

Moving forward, we foresee a challenging year ahead due to the market competitiveness, volatility of raw material prices and the implementation of goods and service tax (GST) starting from 1<sup>st</sup> April 2015.

With improvement in farms' conditions and effective cost management, the Directors remain hopeful that the Group will perform better.

## B4. Variance on forecast profit/profit guarantee

Not applicable as no profit guarantee was issued.

## B5. Statement By Directors

The Group did not issue any profit forecast or projection in a public document in the current quarter or prior financial period.

## B6. Income tax

Income tax comprises the following:

	Individual Period		Cumulative period	
	Current period quarter	Preceding year corresponding quarter	Current year-to- date (3 months)	Preceding year- to-date (3 months)
	31/3/15 RM'000	31/3/14 RM'000	31/3/15 RM'000	31/3/14 RM'000
Deferred tax liabilities:	-	-	-	-

## B7. Status of Corporate Proposal

On 28 February 2014, it was announced that the Company was considered an Affected Listed Issuer under Practice Note 17 of the Bursa Malaysia Securities Berhad's Main Market Listing Requirement ("the MMLR"). Accordingly, the Company is required to inter alia submit a regularisation plan to the relevant authority within 12 months from the date of such announcement. The application in relation to the Proposed Regularisation Plan has been submitted to Bursa Malaysia for approval on 11 September 2014. On 17 February 2015, the Company has submitted a Revised Proposed Regularisation Plan to include the Proposed Capitalisation. The Company has yet to receive the approval from Bursa Malaysia.



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## B8. Group Borrowings and Debt Securities

The Group's borrowings as at 31 March 2015 are all denominated in Ringgit Malaysia and are as follows:

	RM'000
<b><u>Current</u></b>	
Banker's acceptances - secured	12,500
Bank Overdrafts – secured	2,240
Term Loan – secured	5,640
Hire Purchase	2,228
	<u>22,608</u>
<b><u>Non-Current</u></b>	
Term Loan-secured	16,664
Hire Purchase	6,153
	<u>22,817</u>
<b>TOTAL</b>	<u><b>45,425</b></u>

## B9. Realised and Unrealised Accumulated Losses

	As at 31/3/2015 RM'000	As at 31/12/2014 RM'000
Total accumulated losses of Company and its subsidiaries:		
- Realised	(28,248)	(30,080)
- Unrealised	(152)	(152)
Consolidation adjustments	452	452
Total Group accumulated losses	<u>(27,948)</u>	<u>(29,780)</u>

## B10. Changes in Material Litigation Since the Last Annual Statement of Financial Position

As at the date of this announcement, the Group is not engaged in any material litigation either as plaintiff or defendant and the Directors do not have any knowledge of any proceedings pending or threatened against the Group.



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## B11. Dividend Payable

The Group has not recommended or declared any dividend during the current quarter and period to date ended 31 March 2015.

## B12. Profit before income tax

Profit before income tax is stated after charging/(crediting):-

	<b>Current period quarter 31/3/2015 RM'000</b>	<b>Current year- to-date 31/3/2015 RM'000</b>
Other income including investment income	(49)	(49)
Interest expense	984	984
Depreciation	1,764	1,764

Other than the above items, there were no provision for and write off of inventories, gain or loss on disposal of unquoted investment or properties, gain or loss on derivatives and exceptional items for the current and financial year to date.

## B13. Earning Per Share (“EPS”)

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>31.03.15 RM'000</b>	<b>31.03.14 RM'000</b>	<b>31.03.15 RM'000</b>	<b>31.03.14 RM'000</b>
<i>Earnings per Share</i>				
Net profit for the period	1,832	1,657	1,832	1,657
Weighted average number of ordinary shares	80,000	80,000	80,000	80,000
Earnings per share (sen)	2.29	2.07	2.29	2.07



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## B14. Cash and cash equivalent at the end of financial year

	<b>RM'000</b>
Cash and bank balances	1,181
Fixed deposits with licensed bank	1,558
Bank Overdraft	<u>(2,240)</u>
	499
Less: Fixed deposits pledged	<u>(1,558)</u>
	<u>(1,059)</u>

**BY ORDER OF THE BOARD  
TPC PLUS BERHAD**

Dated: 26 MAY 2015