



TPC PLUS BERHAD

(Company No. 615330-T)

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

A1. Basis of preparation

The 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 financial statements should be read in conjunction with the Audited Financial Statements of the Group for the year ended 31 December 2014. These explanation notes attached to the 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 2015:-

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 Interpretation 15 (Agreements for Construction of Real Estate), including its parent, significant investor and venture (herein called "transitioning entities").

As announced by MASB on 28 October 2015, the transitioning entities are allowed to defer the adoption of MFRSS to annual periods beginning on or after 1 January 2018.



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Changes in 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 2018. 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 significant 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, repurchases, resale or repayments of debt and equity securities.

A8. Dividends Paid

There were no dividends paid during the 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. Valuations 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. Changes in the Composition of the Group

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

A13. Change in Contingent Liabilities

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

	Group		Company	
	30.09.2015 RM'000	30.09.2014 RM'000	30.09.2015 RM'000	30.09.2014 RM'000
Guarantees granted by the Company to third parties for credit facilities extended to subsidiaries	Nil	Nil	46,997	46,997
Outstanding guarantees granted by the Company to third parties for credit facilities extended to subsidiaries	Nil	Nil	36,727	42,858



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B – Selected explanatory notes pursuant to Part A of Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

B1. Performance Review

	Current Quarter 30/9/15	Cumulative Quarter 30/9/15
	RM'000	RM'000
Revenue	21,828	66,509
Profit before tax	1,434	3,296

The Group reported a revenue of RM21.828 million for the current year quarter ended 30 September 2015, which represent 7.17% increase over that of RM20.368 million for the corresponding quarter ended 30 September 2014.

The increase in the Group's revenue continue to support higher pretax profit. The Group registered a pretax profit of RM1.434 million for the quarter period ended 30 September 2015 compared to a pretax profit of RM1.089 million in the corresponding quarter last year. The increase in revenue was mainly due to higher level of egg production and lower feed cost.

B2. Comparison with the Preceding Quarter's Results

	Individual Period		Variance	
	Current Quarter 30/9/15	Immediate Preceding Quarter 30/6/15		
	RM'000	RM'000	RM'000	%
Revenue	21,828	20,876	952	4.56
Profit before taxation	1,434	30	1,404	4680

The Group's revenue was RM21.828 million for the current quarter ended 30 September 2015 as compared to RM20.876 million in the immediate preceding quarter, indicating an increase of approximately 4.56%.



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Comparison with the Preceding Quarter's Results ("Continued")

In tandem with the higher revenue in Q3 2015, the Group was able to deliver an improvement in its pretax profit of RM1.434 million for the current quarter against the pretax profit of RM0.030 million in the preceding quarter.

The higher revenue and pretax profit for the current quarter was the result of improved selling price of eggs.

B3. Commentary on Current Year Prospect

We foresee the remaining quarter to be challenging as the result of increased competition intensity, volatile economic conditions and market backdrop. However, Directors will continue to explore new opportunities on potential markets which are subject to be analysed and reviewed to ensure they will not adversely affect the financial condition of the Group.

Our strategies remain unchanged. The top priority for the next few months will be to put our absolute focus on our plan as disclosed in the Circular to shareholders dated 25 August 2015. We remain optimistic and committed to ensuring the Group's investment management capacities and resources are appropriate to meet our key objective of achieving positive investment performance.

With the combination of capabilities available in the Group coupled with ample support from shareholders, together we look forward to the future of the Group with confidence.

B4. Variance on Profit Forecast

This note is only applicable in the final quarter of the financial year.

B5. Statement by Directors

Based on the best knowledge of the board of directors of the Company, we are in the opinion that the revenue and profit forecast for the remaining period till the end of the financial year which was disclosed in the Circular to shareholders dated 25 August 2015 are likely to be achievable.



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B6. Income tax

Income tax comprises the following:

	Individual Period		Cumulative period	
	Current period quarter	Preceding year corresponding quarter	Current year-to-date (9 months)	Preceding year-to-date (9 months)
	30/9/15	30/9/14	30/9/15	30/9/14
	RM'000	RM'000	RM'000	RM'000
Deferred tax liabilities:	-	-	-	-

B7. Status of Corporate Proposal

On 28 February 2014, it was announced that the Company had been classified as an affected listed issuer under Practice Note 17 of the Bursa Malaysia Securities Berhad's Main Market Listing Requirement ("the MMLR"), whereby the auditors of the Company has expressed an emphasis of matter on the Company's ability to continue as a going concern in its audited statement for FYE 31 December 2012. In addition, the Company's shareholders equity of RM16.04 million is less than 50% of its issued and paid up capital of RM40.00 million based on its unaudited financial statement for FYE 31 December 2013. 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.

On 19 June 2014, Board announced that the Company proposed to undertake the following:

- (i) Proposed reduction of the share premium account of TPC of RM5,739,995 pursuant to Sections 60(2) and 64(1) of the Act;
- (ii) Proposed reduction of the issued and paid up share capital of TPC pursuant to Section 64(1) of the Act involving the cancellation of RM0.30 of the par value of every existing ordinary share of RM0.50 each in TPC;
- (iii) Proposed amendments to the relevant clause and article of the M&A of TPC to facilitate the change in par value of the existing ordinary shares from RM0.50 to RM0.20 arising from the Proposed Par Value Reduction; and
- (iv) Proposed renounceable rights issue of 120,000,000 Rights Shares together with 80,000,000 Warrants at an indicative issue price of RM0.20 per Rights Share on the basis of three (3) Rights Shares for every two (2) TPC Shares held after the Proposed Share Premium Reduction and Proposed Par Value



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Status of Corporate Proposal (“Continued”)

Reduction, and two (2) free Warrants for every three (3) Rights Shares subscribed, on an entitlement date to be determined later.

On 11 September 2014, the application in relation to the Previous Proposed Regularisation Plan together with the listing application for the new securities proposed to be issued had been submitted to Bursa Securities.

On 17 February 2015, the Company proposed to revise the Previous Proposed Regularisation Plan by undertaking an additional proposal vide the proposed settlement of an amount owing by TPCA, a wholly-owned subsidiary of TPC, to HLRB amounting to RM12,000,000 via the issuance of up to 60,000,000 Settlement Shares to HLRB as consideration at an issue price to be determined and announced at a later date by the Company after the Proposed Rights Issue with Warrants.

The remaining proposals of the Proposed Regularisation Plan, namely, the Proposed Share Premium Reduction, Proposed Par Value Reduction, Proposed M&A Amendment and Proposed Rights Issue with Warrants remain unchanged.

On 16 March 2015, the application in relation to the Proposed Regularisation Plan together with the listing application for the new securities to be issued had been submitted to Bursa Securities.

Bursa Securities had vide its letter dated 31 July 2015 approved the following:

- (i) the admission of 80,000,000 Warrants to the Official List of Bursa Securities; and
- (ii) the listing of and quotation for:
 - up to 180,000,000 new TPC Shares to be issued pursuant to the Proposed Rights Issue with Warrants and Proposed Capitalisation;
 - 80,000,000 Warrants to be issued pursuant to the Proposed Rights Issue with Warrants; and
 - 80,000,000 new TPC Shares to be issued pursuant to the exercise of the Warrants;

On 17 September 2015, the Company announced that all the resolutions tabled at the Extraordinary General Meeting have been duly approved by the shareholders.



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B8. Group Borrowings and Debt Securities

The Group's borrowings as at 30 September 2015 are all denominated in Ringgit Malaysia and are as follows:

	RM'000
Current	
Banker's acceptances - secured	11,000
Bank Overdrafts – secured	1,448
Term Loan – secured	5,640
Hire Purchase	2,304
	<hr/>
	20,392
	<hr/>
Non-Current	
Term Loan-secured	13,895
Hire Purchase	4,952
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	18,847
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TOTAL	39,239

B9. Realised and Unrealised Accumulated Losses

	As at 30/9/2015 RM'000	As at 30/6/2015 RM'000
Total accumulated losses of Company and its subsidiaries:		
- Realised	(26,784)	(28,218)
- Unrealised	(152)	(152)
Consolidation adjustments	452	452
Total Group accumulated losses	<hr/>	<hr/>
	(26,484)	(27,918)

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.

B11. Dividend

The Group has not recommended or declared any dividend during the current quarter and period to date ended 30 September 2015.



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B12. Profit before income tax

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

	Current period quarter 30/9/2015 RM'000	Current year- to-date 30/9/2015 RM'000
Other income including investment income	(42)	(102)
Interest expense	899	2,817
Depreciation	1,712	5,221

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")

	Individual Quarter		Cumulative Quarter	
	30.09.15 RM'000	30.09.14 RM'000	30.09.15 RM'000	30.09.14 RM'000
<i>Earnings per Share</i>				
Net profit for the period	1,434	1,089	3,296	2,864
Weighted average number of ordinary shares	80,000	80,000	80,000	80,000
Earnings per share (sen)	1.79	1.36	4.12	3.58

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

	RM'000
Cash and bank balances	1,946
Fixed deposits with licensed bank	1,622
Bank Overdraft	(1,448)
	<u>2,120</u>
Less: Fixed deposits pledged	<u>(1,622)</u>
	<u>498</u>



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

Dated: 18 NOVEMBER 2015