



## TPC PLUS BERHAD

Registration No. 200301012910 (615330-T)  
(Incorporated in Malaysia)

### SUMMARY OF THE KEY MATTERS DISCUSSED AT THE 17TH ANNUAL GENERAL MEETING

A summary of the key matters discussed at the Company's 17th Annual General Meeting held at Ogcc Golfer Tavern, Orna Golf & Country Club, Batu 16, Jalan Gapam, Ladang Gapam, 77200 Bemban, Melaka on Wednesday, 22 July 2020 at 10:00 a.m. are as follows:

Key Questions / Matters Raised	Company's Response
1. Clarify the drop in Profit Before Taxation ("PBT") of the Group from RM4,451,385 recorded in the financial year ended 31 December 2018 ("FYE 2018") to RM4,158,611 for the financial year ended 31 December 2019 ("FYE 2019")	<p>The Group's turnover had actually increased from RM213,057,561 for the FYE 2018 to RM245,449,946 for the FYE 2019. However, the Group's PBT for the FYE 2019 had reduced as compared to the FYE 2018 because there was a Net Impairment Losses on Financial Assets i.e. Trade Receivable of a single customer amounting to approximately RM2.5 million recorded in the FYE 2019.</p> <p>The customer who defaulted payment was a long term customer of more than 10 years. The average sales to this particular customer is about RM1.0 million a month. To continue conducting business with this customer, the Company had changed the one month credit term given to this customer to cash term.</p>
2. Explain the reduction in Earnings Per Share (Basic) ("EPS"), from 1.41 sen for the FYE 2018 to 0.89 sen for the FYE 2019.	<p>In calculating the EPS, there was no change in the total number of shares issued in 2018 and 2019. The EPS for the FYE 2018 was higher compared to the EPS for the FYE 2019 because:</p> <p>(a) There was a disposal of land to Pentadbiran Tanah Melaka during the FYE 2018 which had contributed to Other Income of RM1.15 million as Gain on Disposal of Property; and</p> <p>(b) There was an impairment loss in Trade Receivable of RM2.5 million in the FYE 2019.</p>
3. Referring to page 77 of the Company's Annual Report 2019, why the word "Projected" is used in "selling prices of the table eggs" when the Audited Financial Statements are record of transactions in the past i.e. in 2018 and 2019.	<p>The projected selling prices of table eggs and projected feed costs are used as the key assumptions in calculating the fair value of Biological Assets. The Biological Assets as stated in the Audited Financial Statements are the pullets and layers valued based on certain assumptions over the remaining life of the birds.</p> <p>The Biological Assets as stated in the Audited Financial Statements refers to chickens (pullets and layers) and not table eggs.</p>
4. Referring to page 103 of the Company's Annual Report 2019, explain the increase in debt-to-equity ratio from 0.47 in 2018 to 0.51 in 2019.	<p>As the Group's eggs and feed production increased, the Group's borrowings had also increased in order to meet the increasing working capital and purchase of raw materials. Nevertheless, term loan facilities has reduced from RM22,745,898 as at 31 December 2018 to RM19,011,022 as at 31 December 2019.</p>