TPC PLUS BERHAD

Company No. 615330-T

(Incorporated in Malaysia under the Companies Act, 1965)

Annual Report 2017

Grown by nature.

TABLE OF CONTENT

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 15th Annual General Meeting of the Company will be held at the **Conference Room, PT 1678, Mukim of Serkam, 77300 Merlimau, Melaka** on **Thursday, 31 May 2018** at **10:00 a.m.** for the purpose of transacting the following business:-

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements for the year ended 31 December 2017 together with the Directors' and Auditors' Reports thereon.
   (Please refer to Explanatory Note a)

2. To approve the payment of Directors' Fees amounting to RM120,000.00 for the financial year ended 31 December 2017. **Resolution 1**

3. To approve the payment of Directors' benefits (other than Directors' fees) to Non-Executive Directors for the period from 31 January 2017 until the next Annual General Meeting to be held in 2019. **Resolution 2**

4. To re-elect the following Directors who are retiring in accordance with Article 97 of the Company's Articles of Association:

   4.1 Mr Lim Yew Chua **Resolution 3**

   4.2 Mr Chong Chee Siong **Resolution 4**

5. To re-appoint Messrs Crowe Horwath as Auditors of the Company for the financial year ending 31 December 2018 and to authorise the Directors to fix their remuneration. **Resolution 5**

As Special Business

To consider and, if thought fit, pass the following resolutions:

6. **ORDINARY RESOLUTION**
   Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016 **Resolution 6**

   "THAT pursuant to Sections 75 and 76 of the Companies Act 2016, the Directors be and are hereby empowered to allot and issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the Company's total number of issued shares for the time being AND THAT the Directors be and are hereby further empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued AND THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

7. **ORDINARY RESOLUTION**
Proposed renewal of shareholders' mandate on recurrent related party transactions of a revenue or trading nature **Resolution 7**

"THAT subject always to the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad, approval be and is hereby given for the renewal of the mandate to Teck Ping Chan Agriculture Sdn Bhd, a wholly-owned subsidiary of the Company, to enter into recurrent related party transactions of a revenue or trading nature as set out in Section 2.5 of the Circular to Shareholders dated 30 April 2018 with the related parties mentioned therein which are necessary for its day-to-day operations provided that the transactions are in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders.

AND THAT such mandate shall commence immediately upon the passing of this resolution and shall continue to be in force until:

a. the conclusion of the next Annual General Meeting ("AGM") of the Company at which time it will lapse unless by a resolution passed at the meeting the mandate is renewed;
b. the expiration of the period within which the next AGM is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("the Act") but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act; or
c. revoked or varied by resolution passed by the shareholders in a general meeting,

whichever is the earlier.

AND THAT the Directors of the Company be empowered to complete and do all such acts and things as they may consider expedient or necessary to give effect to the mandate and transactions contemplated and authorised by this resolution."

8. To transact any other business of the Company of which due notice shall have been given.

BY ORDER OF THE BOARD

ONG SOO LENG (MAICSA 7018257)
Company Secretary

Melaka
30 April 2018

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

Notes

(i) Only depositors whose names appear in the Record of Depositors as at 23 May 2018 shall be entitled to attend, speak and vote at the meeting or appoint another person as his/her proxy to attend and vote in his/her stead.

(ii) Where a member appoints more than one proxy, such appointment shall be invalid unless he specify the proportion of his shareholdings to be represented by each proxy.

(iii) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

(iv) The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or, if the appointer is a corporation, the instrument appointing a representative must be either under its common seal or under the hand of an officer or attorney duly authorised.

(v) The duly completed proxy form must be deposited at the Company's registered office at PT 1678, Mukim of Serkam, 77300 Merlimau, Melaka not less than 48 hours before the time fixed for holding the meeting or any adjournment thereof.

(vi) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to vote by way of poll.

Explanatory Notes

(a) The Audited Financial Statements in Agenda 1 are for discussion only as they do not require shareholders' approval pursuant to Sections 248(2) and 340(1)(a) of the Companies Act 2016. Hence, this matter will not be put for voting.

(b) Resolution 2

Pursuant to Section 230 of the Companies Act 2016 which came into effect on 31 January 2017, the Company is seeking shareholders' approval for the payment of travelling allowance of RM200 per trip to its Non-Executive Directors for attending Board and Board Committee meetings during the period commencing 31 January 2017 until the conclusion of the 16th Annual General Meeting to be held in 2019.

(c) Resolution 6

Ordinary Resolution 6, if passed, is a renewal of the general mandate to empower the Directors to allot and issue shares of the Company up to a maximum of 10% of the Company's total number of issued shares for the time being for such purposes as the Directors consider would be in the best interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the 16th Annual General Meeting of the Company.

A renewal of the general mandate will provide flexibility to the Company for any possible fund raising activities including but not limited to placing of shares for the purpose of funding future investment projects, working capital and/or acquisition.

As at the date of this notice, no shares in the Company has been allotted and issued pursuant to the general mandate granted to the Directors at the 14th Annual General Meeting held on 25 May 2017 which will lapse at the conclusion of this 15th Annual General Meeting.

(d) Resolution 7

Ordinary Resolution 7, if passed, will allow Teck Ping Chan Agriculture Sdn Bhd, a wholly-owned subsidiary of the Company, to enter into recurrent related party transactions in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. This approval shall continue to be in force until the conclusion of the 16th Annual General Meeting or the expiration of the period within which the 16th Annual General Meeting is required by the law to be held or revoked/varied by resolution passed by the shareholders in general meeting.

CORPORATE INFORMATION

BOARD OF DIRECTORS

YBhg. Tan Sri Datuk Seri (Dr.) Abu Seman bin Hj. Yusop
Chairman/Senior Independent Non-Executive Director

Lim Yew Chua
Managing Director / Non-Independent Executive Director

Lim Yew Kwang
Non-Independent Executive Director

Lim Yew Piau
Non-Independent Executive Director

Liang Ah Lit @ Nyah Chung Mun
Senior Independent Non-Executive Director

Chong Chee Siong
Independent Non-Executive Director

Chong Peng Khang
Independent Non-Executive Director

Company Secretary
Ong Soo Leng (MAICSA 7018257)

Auditors
Crowe Horwath (AF 1018)
52, Jalan Kota Laksamana 2/15
Taman Kota Laksamana, Seksyen 2
75200 Melaka

Registered Office
PT 1678, Mukim of Serkam
77300 Merlimau
Melaka
Tel No . : 06-2686315
Fax No. : 06-2686327

Share Registrar
Bina Management (M) Sdn Bhd
Lot 10, The Highway Centre
Jalan 51/205
46050 Petaling Jaya, Selangor
Tel No. : 03-7784 3922
Fax No. : 03-7784 1988

Principal Bankers
Bangkok Bank Berhad
Bank of China (M) Berhad
HSBC Bank Malaysia Berhad
RHB Bank Berhad
Ambank (M) Bhd

Audit Committee
Chong Peng Khang (Chairman)
YBhg. Tan Sri Datuk Seri (Dr.) Abu Seman bin Hj. Yusop
Liang Ah Lit @ Nyah Chung Mun
Chong Chee Siong

Board Nomination and Remuneration Committee
YBhg. Tan Sri Datuk Seri (Dr.) Abu Seman bin Hj. Yusop (Chairman)
Liang Ah Lit @ Nyah Chung Mun
Chong Chee Siong
Chong Peng Khang

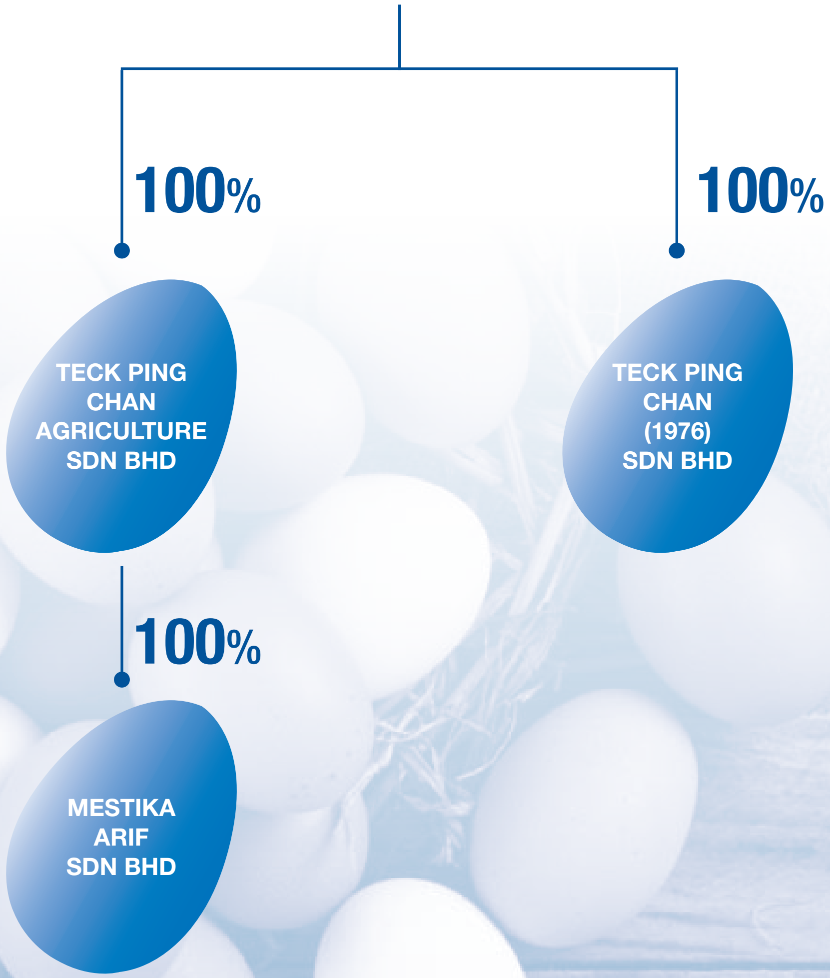
Risk Management Committee
YBhg. Tan Sri Datuk Seri (Dr.) Abu Seman bin Hj. Yusop (Chairman)
Liang Ah Lit @ Nyah Chung Mun
Chong Chee Siong
Chong Peng Khang
Lim Yew Chua
Lim Yew Kwang
Lim Chian Harn

Stock Exchange Listing
Main Market
Bursa Malaysia Securities Berhad

Website
www.tpc.com.my

GROUP STRUCTURE

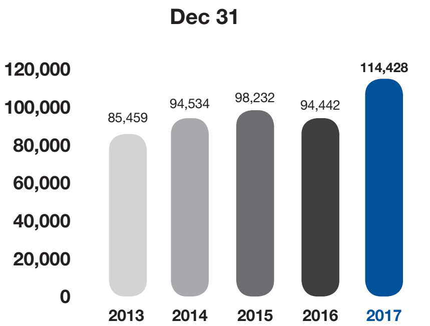
TPC PLUS BERHAD
(Company No. 615330-T)
(Incorporated in Malaysia under the Companies Act, 1965)



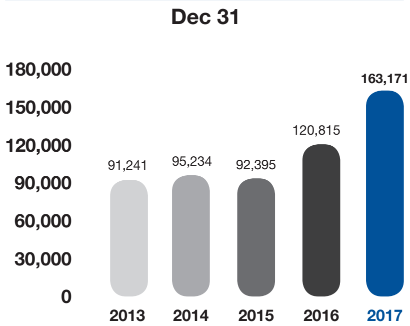
FINANCIAL HIGHLIGHTS

RESULTS	31 Dec 2013 RM'000	31 Dec 2014 RM'000	31 Dec 2015 RM'000	31 Dec 2016 RM'000	31 Dec 2017 RM'000
Revenue	85,459	94,534	98,232	94,442	**114,428**
Profit/(Loss) before tax	(4,073)	4,433	4,039	5,425	**(1,256)**
Profit/(Loss) attributable to owners of the Company	(4,073)	4,764	3,834	3,887	**(230)**
Total Assets	91,241	95,234	92,395	120,815	**163,171**
Net assets	16,045	20,809	24,643	73,127	**72,901**
Current assets	24,542	24,736	27,353	39,788	**51,672**
Current liabilities	64,411	49,410	49,407	29,816	**59,968**
Share Capital	40,000	40,000	16,000	46,755	**46,764**
Basic earning/(loss) per share	(5.09)	5.96	4.79	1.74	**(0.10)**
Diluted earning per share	N/A	N/A	N/A	1.62	**(0.10)**
Weighted average number of shares issued	80,000,000	80,000,000	80,000,000	223,751,528	**233,792,801**
Current Ratio	0.38	0.50	0.55	1.33	**0.86**

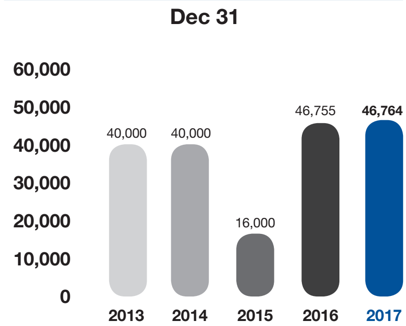
REVENUE
RM'000



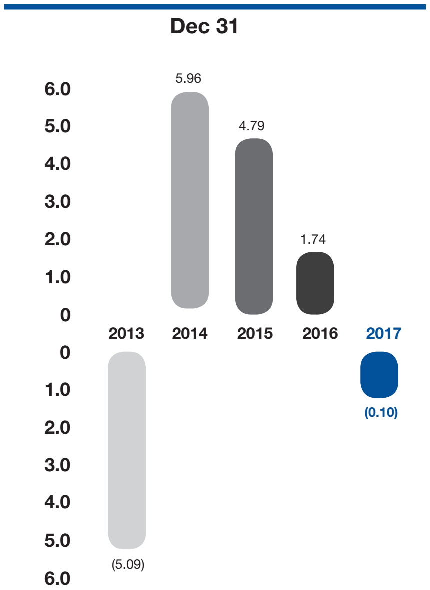
TOTAL ASSETS
RM'000



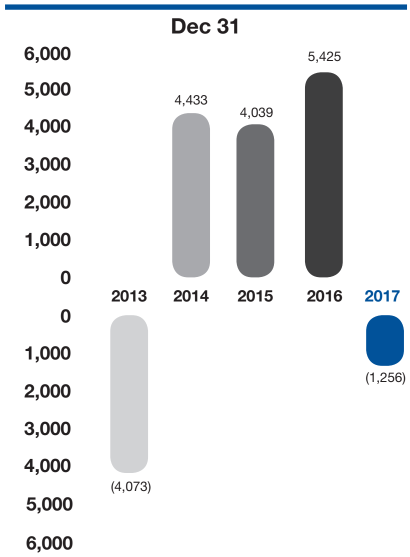
SHARE CAPITAL
RM'000



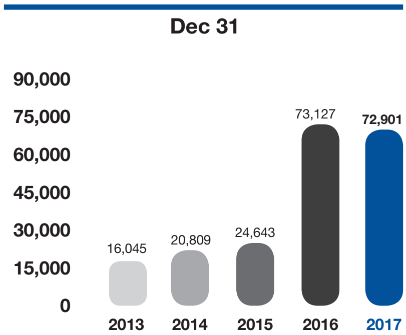
BASIC EARNING/(LOSS) PER SHARE
RM'000



PROFIT/(LOSS) BEFORE TAX
RM'000



NET ASSETS
RM'000



DIRECTORS' PROFILE

YBHG. TAN SRI DATUK SERI (DR.) ABU SEMAN BIN HJ. YUSOP

Chairman, Senior Independent Non-Executive Director

Aged 74 – YBhg. Tan Sri Datuk Seri (Dr.) Abu Seman bin Hj. Yusop was appointed as Director and Chairman of the Board of TPC Plus Berhad on 30 November 2015. He is also the Chairman of the Nomination and Remuneration Committee and Risk Management Committee and a member of the Audit Committee.

YBhg. Tan Sri Datuk Seri (Dr.) Abu Seman bin Hj. Yusop is currently the Chairman of the Board of Trustee of Yayasan Alor Gajah. Besides this, he is also a Pro Chancellor of University College Islam Melaka.

Prior to holding these positions, he has held several senior positions in the private and public sectors. He has been in the Malaysian Shipping Corporation Berhad (MISC) as Senior Legal Advisor, Chairman of Majlis Amanah Rakyat (2000 – 2004), University of Kuala Lumpur (2000 – 2004) and ICM Industries Corp. Bhd (1997).

YBhg. Tan Sri Datuk Seri (Dr.) Abu Seman bin Hj. Yusop was a Member of Parliament for the Alor Gajah / Masjid Tanah constituency in Melaka during 1995 to 2013 and the Parliamentary Secretary of the Ministry of Internal Security during 2004 to 2006. YBhg. Tan Sri Datuk Seri (Dr.) Abu Seman became the Deputy Minister of the Federal Territory in 2006 to 2008, Deputy Minister of Defence in 2008 to 2009 and Deputy Minister of Home Affairs from 2009 to 2013.

YBhg. Tan Sri Datuk Seri (Dr.) Abu Seman bin Hj. Yusop began his career as a police officer of the Royal Malaysian Police in 1964 and was seconded to the Anti-Corruption Agency in 1968. He read law at Middle Temple, London in 1974 and qualified as a Barrister-At-Law in 1977 and served as Deputy Public Prosecutor in 1978 to 1981. He is currently running his own legal practice.

LIM YEW CHUA

Managing Director, Non-Independent Executive Director

Aged 51 – Mr Lim Yew Chua was appointed to the Board of TPC Plus Berhad on 8 March 2012 and subsequently as its Managing Director on 30 November 2015. He is also a director of all the subsidiaries of the Company and a member of the Risk Management Committee.

Mr Lim Yew Chua has approximately 25 years of experience in poultry farming and is actively involved in the planning and construction of new high-tech farms in the Group.

Mr Lim Yew Chua is a brother of Mr Lim Yew Kwang and Mr Lim Yew Piau.

LIM YEW KWANG

Non-Independent Executive Director

Aged 44 – Mr Lim Yew Kwang was appointed to the Board of TPC Plus Berhad on 8 March 2012. He is also a director of all the subsidiaries of the Company and a member of the Risk Management Committee.

Mr Lim Yew Kwang has approximately 20 years of experience in poultry farming and is currently managing the various aspects of the farms' operations.

Mr Lim Yew Kwang is a brother of Mr Lim Yew Chua and Mr Lim Yew Piau.

LIM YEW PIAU

Non-Independent Executive Director

Aged 41 – Mr Lim Yew Piau was appointed to the Board of TPC Plus Berhad on 8 March 2012. He is also a director of all the subsidiaries of the Company.

Mr Lim Yew Piau has approximately 20 years of experience in poultry farming and is currently in charge of logistic, marketing and distribution of eggs to customers.

Mr Lim Yew Piau is a brother of Mr Lim Yew Chua and Mr Lim Yew Kwang.

LIANG AH LIT @ NYAH CHUNG MUN

Senior Independent Non-Executive Director

Aged 74 – Mr Liang Ah Lit @ Nyah Chung Mun was appointed to the Board of TPC Plus Berhad on 30 November 2015 and as Senior Independent Director in addition to YBhg. Tan Sri Datuk Seri (Dr.) Abu Seman bin Hj. Yusop on 29 August 2017. He is also a member of the Audit Committee, Nomination and Remuneration Committee and Risk Management Committee of the Company.

Mr Liang Ah Lit @ Nyah Chung Mun graduated with B.Sc. in Animal Husbandry from the National Taiwan University in 1972 and worked as a Feed Programmer upon graduation. Mr Liang Ah Lit @ Nyah Chung Mun was later appointed as an Executive Director in 2003 to 2010. All in all, Mr Liang Ah Lit @ Nyah Chung Mun has about 40 years of experience as Feed Programmer.

CHONG CHEE SIONG

Independent Non-Executive Director

Aged 42 - Mr Chong Chee Siong was appointed to the Board of TPC Plus Berhad on 30 November 2015. He is also a member of the Audit Committee, Nomination and Remuneration Committee and Risk Management Committee of the Company.

Mr Chong Chee Siong graduated with an Advanced Diploma in Commerce (Financial Accounting) from Tunku Abdul Rahman College and has about 4 years of auditing experience. He left as a General Manager after about 7 years in the commercial sector, including 3 years in a Malaysian public listed company, before starting his own business. Currently, Mr Chong Chee Siong is also a Director of another Malaysian public listed company.

CHONG PENG KHANG

Independent Non-Executive Director

Aged 38 - Mr Chong Peng Khang was appointed to the Board of TPC Plus Berhad on 30 November 2015. He was appointed as the Chairman of the Audit Committee on 29 August 2017. He is a member of the Nomination and Remuneration Committee and Risk Management Committee of the Company.

Mr Chong Peng Khang graduated from Multimedia University, Malaysia with a Bachelor of Accounting (Hons) Degree. He is a fellow member of the Association of Chartered Certified Accountants and a member of the Malaysian Institute of Accountants.

After approximately 8 years of audit experience in local and international accounting firms, Mr Chong Peng Khang left as Audit Director to join the commercial sector and is now a Financial Controller in a major Malaysian conglomerate company. Mr Chong Peng Khang is also a Director in two other Malaysian public listed companies.

All the above Directors are male and are Malaysian.

Save as disclosed, the above Directors do not have family relationship with any Director and/or major shareholder of TPC Plus Berhad.

None of the Directors:

i. have any conflict of interests with TPC Plus Berhad;
ii. have been convicted of any offences within the past 5 years (other than traffic offences, if any); and
iii. have public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 December 2017.

KEY MANAGEMENT PROFILE

MOHAMAD RAHIMI MAT RAMIN
Farm Manager

Mohamad Rahimi Mat Ramin, aged 44, Malaysian, male, is the farm manager of Teck Ping Chan Agriculture Sdn Bhd ("TPCA"). Encik Mohamad Rahimi joined TPCA on 26 October 2011 as an assistant farm manager and was soon promoted to his current position. Upon completing his secondary education in 1991, he immediately began his career with various layer farming companies. Encik Mohamad Rahimi has more than 25 years of experience in poultry management. He is currently in charge of the day-to-day operations of the layer farms and oversees the maintenance of all the machineries and equipment in the farms.

ALEX KAU WAI SENG
Egg Grading Store Manager

Alex Kau Wai Seng, aged 44, Malaysian, male, is the grading store manager of Teck Ping Chan Agriculture Sdn Bhd. Mr Alex Kau has held various positions since he joined TPC Group in 2008 and raised from rank and file to his current position. Prior to joining TPC Group, Mr. Alex Kau has worked in the food and beverage sector, automotive ancillary and bank for more than 10 years. Mr. Alex Kau is currently in charge of the day-to-day operation and management at the egg grading store. He also oversees the sales and distribution management to ensure that the Company achieve its sales target and that all egg deliveries are on schedule.

None of the Key Management has:

(1) any family relationship with the Directors or Major Shareholders of the Company.
(2) any conflict of interest with the Company.
(3) any directorship in public companies.
(4) been convicted with any offences other than traffic offences (if any) in the past 5 years.

LETTER TO SHAREHOLDERS

Dear Shareholders,

On behalf of the Board of Directors, we are pleased to present the Annual Report and the Annual Financial Statements of TPC Plus Berhad ("TPC" or "Company") for the financial year ended 31 December 2017.

Over the course of 2017, TPC continued its strong growth trajectory by increasing its egg production and has constructed a new feed mill for its internal flock's consumption. Our egg production has increased from 285 million eggs yearly during FYE 2016 to 349 million eggs yearly during FYE 2017. However, our result for FYE 2017 reflects the challenging and volatile egg market that was affected by an oversupply situation. Despite that, we are proud of our ability to move the Company forward during FYE 2017 amidst challenging market situation.

Further information on prospects, operation and financial performance, works that have taken place during 2017 can be found in our management discussion and analysis on page 12.

For 2018, we foresee the Company to be operating in a challenging environment. Intense pricing competition, external global factors and market conditions are some of the uncontrollable factors which may affect the performance of the Group. However, the management will continue to strive tirelessly and to focus more intently to improve the operational efficiency of the Group. We will continue to execute our growth strategy regardless the cycles of egg market. We are confident that we are able to move forward primarily thriving on the prospect in this industry.

We have made great strides and are excited about the future of TPC. We are always conscious of our responsibilities, not just to our customers, shareholders and colleagues but also to our stakeholders and suppliers. We would like to express our sincere appreciation to our management and staff for their exceptional great jobs and seamless co-ordination in managing different areas of the Group and also to our valued shareholders, customers, vendors and financial lenders.

We firmly believe that as we embark on this journey of renewal and change, we will continue to lead the Group to achieve great results and to maximize returns for shareholders. Together, we shall strive to deliver greater value to our customers and shareholders as we pursue the exciting growth opportunities.

Thank you for your support of TPC Plus Berhad.

Sincerely,

Tan Sri Datuk Seri (Dr.) Abu Seman bin Hj. Yusop
Chairman

Lim Yew Chua
Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

The information in this management discussion and analysis should be read in conjunction with the Company's consolidated financial statements and the notes related thereto.

OVERVIEW OF TPC'S BUSINESS AND OPERATIONS

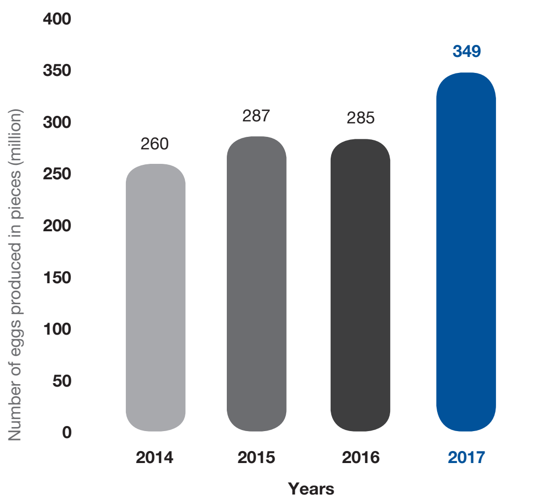
TPC Plus Bhd is principally engaged in the production, grading, packaging and sale of table eggs and feeds which is predominantly carried out in Malaysia. The Company is strategically located in Alor Gajah, Melaka and mainly sell its eggs and feeds in the southern region of Peninsula Malaysia. During the financial year ended ("FYE") 2017, we sold approximately 349 million eggs and marketed our eggs to a diverse group of customers such as wholesale egg dealers, retailers and directly to food manufacturers. We manufactured approximately 43,000 ton of feeds during the year.

As always, the Group is focused on increasing the production of its table eggs and to construct new and more efficient facilities. During 2017, we have built a new feed mill, additional layer houses and improved the existing machine facilities which have resulted the increase of our current egg production to approximately 1,070,000 eggs daily. We will continue to expand our egg production capacities and to broaden our geographic reach. The strength of our long term partnerships with customers and suppliers will continue to underpin the Group's strategy.

REVIEW OF OPERATIONS

After the completion of the financial regularisation exercise and corporate turnaround in 2016, TPC has focused on its expansion plan to construct a new feed mill, to increase pullet and layer houses which in turn has added to our egg production capacity of 349 million eggs annually in year 2017 from 260 million eggs annually in year 2014.

TPC'S YEARLY EGG PRODUCTION FROM YEAR 2014-2017



TPC Group's revenue is mainly determined by the average selling price of eggs and the volume of eggs sold. The volume of eggs sold is partly dependent on the number of productive birds and eggs production rate, which in turn is affected by the quality of feeds, type of layer houses and farm management. Currently, the Group's revenue is mainly from the domestic market. For many years, we have pursued a growth strategy focused on expanding our eggs production. In spite of the ongoing intense market competition, the Group will continue to adopt its low price strategies. As we always have been, we will continue to remain attentive to the changing demands of our customers and focus on meeting their needs.

FINANCIAL RESULT OF THE GROUP

	2016 (RM'000)	2017 (RM'000)
Revenue	94,442	114,428
Net Profit/ (Loss)	3,887	(230)

Revenue

For the FYE 2017, the Group experienced a steady growth in revenue. It has recorded a revenue of RM114,428 million, an increase of 21.2% as compared to the preceding year's revenue of RM94,442 million. This is mainly attributable to the higher number of eggs sold as the result of an increase in the egg production from approximately 285 million eggs during FYE 2016 to 349 million eggs during FYE 2017 despite the oversupply of eggs situation which has caused an extremely low average selling prices of eggs during FYE 2017. Starting from September 2017, the Group has started to sell its manufactured feeds to other companies which has created a new source of revenue to the Group. During the year, other operating income has dropped by RM 0.378 million or 69.09%.

Operating Expenses

As at 31 December 2017, operating expenses has increased significantly as the Group has started to purchase raw materials from suppliers, manufacture its own feeds in order to cater its own flock's consumption. The Group has increased the number of pullet and layer houses which has resulted the increase in the capital expenditure, depreciation expenses, selling and distribution costs.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Net Profit

The Group generated a loss after taxation of RM0.23 million during FYE 2017, marking a 105.9% or 4.117 million decrease as compare to FYE 2016 mainly due to the decrease in the average selling price of eggs and an increase in the operating expenses after company's expansion.

Review of the Financial Position

	2016 (RM'000)	2017 (RM'000)
Total Assets	120,815	163,171
Total Liabilities	47,688	90,271
Debt/Asset Ratio	0.39	0.55

The Group's total assets stood at RM163.17 million as at 31 December 2017 – an increase of RM42.36 million from RM120.81 million as at 31 December 2016. The Group's non-current assets made up 68.3% of the Group's total assets while the current assets comprised 31.7% of total assets at the close of the financial year, an increase of RM11.88 million compare to a year before. Despite the fall in deposits with financial institutions after full utilisation of proceeds, the increase in current assets was mainly contributed by two main factors. They are a) increase in biological assets and inventories of RM4.58 million due to the increase in the number of birds, egg production and the purchase of raw material; b) increase in trade and other receivables, deposits and prepayments in line with sales growth and the sales of feeds to other companies.

The Group's total liabilities recorded an increase of RM42.58 million, reaching RM90.27 million as at 31 December 2017 from RM47.69 million the year before. Contributing to this increase were mainly due to the increase in short term and long term borrowings as the result of the construction of new feed mill and additional 14 pullet and layer houses. The trade and other payables and accruals have contributed to the increase as the result of the purchase of raw materials for the manufacturing of feeds. The increase was offset by a RM7.05 million reduction in the amount owing by related companies.

Review of the Statement of Cash Flow

The Group recognized a decrease in cash equivalents of RM15.55 million year-on year to RM 3.64 million as at 31 December 2017.

Net cash from operating activities stood at RM5.44 million versus RM10.41 million in FYE 2016. The reduction in cash inflow mainly resulted from the investment in feed mill plant.

In FYE 2017, the Group channeled RM29.52 million towards investing activities. This is mainly due to an increase of RM25.22million for the purchase of property, plant and equipment as the result of the Group's expansion plan to build a new feed mill and to increase pullet and layer houses.

Meanwhile, net cash from financing activities reached RM12.17 million during the financial year on the back of an increase in bank facilities for the purchase of raw materials, construction of feed mill, additional pullet and layer houses.

RISK FACTORS EXPOSURE

Our business and financial and operational results are subject to numerous uncertainties and risks, many of which are beyond our controls. The Group has placed different risk management plans to lessen or to reduce, if not to totally eliminate, the adverse impact or perceived risks associated in the business.

Agricultural risks, including outbreaks of diseases and changes in weather condition

Egg production is subject to a variety of agriculture risks. Extreme or unusual weather conditions and any disease outbreak will adversely affect the quantity and quality of eggs produced and distributed. Despite our best effort, outbreak of disease can still occur and this will materially affect the health of our flocks. Besides that, negative publicity of an outbreak in the poultry industry can easily impact consumers' perception even if our flocks are healthy and did not catch the disease. The challenges imposed by the changes in weather conditions can be fit broadly into two categories i.e. higher costs and deteriorating productivity.

In anticipation of these risks, the Group has implemented proper and timely vaccination of its flock so as to keep the resistance level high in its flock. In addition, the spatial distribution of poultry shed ("closed house" and "open house") and stringent flock health policy of the Group also reduces the possibility of major diseases outbreak. The Group has its in-house veterinarian and experienced farm personnel who oversees and implements vaccination programs to ensure it is able to minimise the risks of disease outbreak. Housing systems are well managed by the Group to maintain optimal temperatures and reduce the risk of heat stress. All these actions taken by the Group will ultimately improve the productivity of its flocks.

However, despite the implementation of all the above measures by the Group, there is no assurance that any unforeseen disease outbreaks and adverse change in weather conditions will not have significant impact on the health or mortality of its flocks that will affect the Group's performance.

Business risks and Competition

The principal business activities of the Group are subject to certain risks inherent in the poultry industry. These risks include, inter alia, raw material shortages, rising cost of labour and feed, decrease egg selling prices, fluctuation in demand for eggs and changes in environmental framework within which the industry operates. Therefore, our prior performances should not be presumed to be our future performances. During the time of increased demand, egg industry players tend to gear up to produce more eggs and hence resulting in an oversupply of eggs in the market. Feed cost represents the largest element of egg production costs. As such, any increases in feed costs unaccompanied by the increases in the selling prices of eggs will affect the results of our operation.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Despite the aforesaid, the Group will continue to manage and limit the risks through, amongst others, continued investment in closed houses technology, further increasing automation in the production processes and continual improvement in farm management. In order to maintain and grow the Group's market share, the Group places strong emphasis and efforts to invest in new technological innovations, enhance bio-security of its flocks while continue to expand its current egg production. However, no assurance can be given that any changes to these factors will not have a material effect on the Group's performance and that the Company can maintain its current market position in the future.

PROSPECTS

Moving forward, TPC will continue to grow its business in order to increase its market shares. The Group intends to capture more sales among the health conscious consumers by improving the feed formulation to produce eggs with higher content of nutritional value to consumers.

In order to meet the growing demand of our flocks, TPC has invested in a new feed mill on its existing land to cater for future flock's consumption. The new feed mill has become fully operational during FYE 2017 and it has helped the Company to remain competitive and to provide greater flexibility in the future. Currently, TPC intends to manufacture more feeds in order to fully maximize the capacity. While egg production remains the core business of our operation, the construction of new and more efficient facilities will also be an integral part of our growth strategy.

DIVIDEND POLICY

In view of the Group's ongoing expansion plans, the Board did not recommend any declaration of dividends for the FYE 2017.

CORPORATE SUSTAINABILITY STATEMENT

Pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for the the Board of Directors ("the Board") of TPC Plus Berhad ("the Company") (collectively with its subsidiaries, "the Group") is pleased to present its Sustainability Statement for the financial year ended 31 December 2017 in this Annual Report.

As this is the Company's first Sustainability Statement, we are still in the midst of developing necessary policy and framework for the Company's sustainability activities. The Board will strive to further seek enhancement opportunities in pursuing business, environmental and social sustainability.

Introduction

Sustainability has always been the key value of the Group's culture as we strive to achieve continual financial performance and business growth. We recognize that we have a responsibility to secure our future and to create long term shared values for our stakeholders. Therefore, we are committed to ensuring responsible management and sustainable development across the Group on the Environment and Social fronts.

Governance Structure

We do not have a Sustainability Committee at the Board level but three Company's executive directors assisted by top management have taken up the roles and responsibilities of Sustainability Committee. The Group's executive directors will have to oversee the processes in order to ensure the key sustainability matters are monitored carefully. They will then report directly to the Audit and Board members on any sustainability matters in order to assist them to fulfill their responsibility for oversight of relevant corporate social responsibility policies, strategies, targets and performance.

In 2018, the Group will incorporate more key sustainability matters as part of the audit process and to develop a more complete program that will incorporate sustainability awareness to our stakeholders in order to create a better understanding of what it takes to adopt the sustainability measures in the Group effectively.

Stakeholders' Engagement

We have identified certain stakeholders relevant to our operations and they can help the company to achieve continuous sustainability improvement of the Group.

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

The following table summarises the Group's key stakeholders and how the Group engages them:-

Stakeholders	Method of Engagement	Stakeholders' concerns	Our response
Shareholders and investors	• Annual General Meeting	• Business and financial performance	• Good financial performance
Employees	• On-going training • Internship opportunities • Performance appraisal system	• Safety at workplace • Benefits and equal opportunities	• Safe environment • Respect and career development
Customers	• Customers feedbacks • Face to face meeting	• Product quality, pricing and delivery	• Reasonable pricing • Quality
Communities	• Donation • Meeting with communities • Sponsorships	• Local employment • Environmental impacts	• Jobs placement and internship • Environmental responsibilities

Material Sustainability Matters

Our sustainability principles focuses on two key areas as follow:-

Environment

The Group has identified different ways to reduce waste and to enhance its recycling efforts.

Recycling has become our daily routine. Newspapers, magazines and used paper egg trays are all the common materials collected regularly and sent to facilities for proper handling. Paper is often the major contributor to waste in a workplace. Therefore, it a common practice for all the employees of the Group to set aside papers that they have used on one side to be used for printing drafts on the other side. Cardboard and empty boxes are reused for storage purposes. With this, we manage to reduce the space for storing empty boxes and to cut back the purchase and order of new boxes. Further to this effort, waste management contractor is appointed to dispose the wastes in an efficient manner.

In the operations, standards are imposed to effectively control the usage of electricity. Lights, electrical equipment, air conditioning and computers will be switched off when they are not in used to reduce energy consumption.

Social

We view occupational safety and health at work environment for employees as utmost important. Various actions are implemented to ensure workplace safety, such as:-

- Requirement for sourcing experience contractors to perform maintenance and construction works
- Continuous job training for new and existing employees
- Operate facilities safely and ensure that production line are safe for employees

The Company has supported the community by providing financial assistance for projects undertaken by local schools and places of worship. We also sponsored eggs to the needy and underprivileged.

We strongly believe that good corporate governance and ethical practices are essential to building a sustainable business. Therefore, over the years, our consistent adherence to ethical business practices have earned the trust of our customers, employees and various stakeholders. Our business practices are governed by Code of Conduct and Whistle Blowing Policies. Directors and employees of the Group are required to comply with relevant policies and rules that are applicable to our Group's business. The Group provides an avenue for whistleblowing for employees in order to promote an environment of integrity and ethical behaviors.

Conclusion

Moving forward, TPC will establish more formal procedures and strive to enhance the practices in internalizing sustainability considerations in our Group. Notwithstanding the efforts so far, the Company looks forward to bring greater disclosures of sustainability matters in future reports.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of TPC Plus Berhad ("Company") is pleased to present below an overview of the application of the Principles set out in the Malaysian Code on Corporate Governance ("Code") during the financial year ended 31 December 2017.

This Corporate Governance Overview Statement is prepared in pursuance of Paragraph 15.25(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and is to be read together with the Corporate Governance Report 2017 of the Company which is made available on the Company's website www.tpc.com.my ("Website")

PRINCIPLE A

BOARD LEADERSHIP AND EFFECTIVENESS

1. Board Responsibilities

    The Board of Directors is responsible for the overall corporate governance of the Group and is always mindful of its responsibilities to the Company's shareholders and other stakeholders.

    In discharging its duties, the Board is guided by the Company's Board Charter and assisted by the Board Committees namely, Audit Committee, Nomination and Remuneration Committee and Risk Management Committee. These Committees operate within their respective terms of reference approved by the Board. The terms of reference will be periodically reviewed and assessed to ensure that they remain relevant and adequate. The Board and Committee Charters can be found at the Company's Website.

    The positions of the Chairman and the Managing Director are held by different individuals with their roles and responsibilities separated and clearly defined in the Board Charter. The Board is supported by a Company Secretary who is a member of the Malaysian Institute of Chartered Secretaries and Administrators. All Board members have direct access to the advice and services of the Company Secretary for the purpose of the Board's affairs.

    The Board is satisfied with the level of commitment given by the Directors towards fulfilling their roles and responsibilities. Every Director had attended all the 4 Board Meetings held during the financial year ended 31 December 2017.

2. Board Composition

    The Board is led by the Chairman in ensuring the effectiveness of all aspects of its role. A majority of the Board comprises Independent Directors including its Chairman and none of the Independent Directors have served on the Board for 9 years or more.

    The Board recognises the benefits of having a diverse Board in terms of age, ethnicity and gender which provides the necessary range of perspective, experience and expertise required to achieve effective stewardship and management.

    At a Board Meeting held on 27 November 2017, the Board is of the opinion that the current number of Directors on the Board is sufficient and resolved not to appoint a new female Director for the time being.

    During the year, the Nomination and Remuneration Committee which is chaired by an Independent Director has assessed the Board and the Board Committees. The results of the assessment indicated that overall the Directors had been discharging their duties and responsibilities effectively. The Nomination and Remuneration Committee had also recommended for the Board to endorse the re-election of the Directors who are retiring by rotation at the forthcoming 15th Annual General Meeting to be held on 31 May 2018.

PRINCIPLE A (CONT'D)

BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2. Board Composition (Cont'd)

The evaluation of individual Directors was carried out through self-assessment. The Directors having assessed and identified their own training needs had attended the following training programmes during the financial year ended 31 December 2017:

Directors	Training
YBhg. Tan Sri Datuk Seri (Dr.) Abu Seman bin Hj. Yusop	Raising the bar in Board's performance and effectiveness Being financially literate : An introduction to understanding financial statements Advocacy session on corporate disclosure for Directors and Principal Officers of listed issuers
Lim Yew Chua	Sustainability Report and Management Discussion & Analysis – What a Director needs to know
Lim Yew Kwang	Sustainability Report and Management Discussion & Analysis – What a Director needs to know
Lim Yew Piau	Sustainability Report and Management Discussion & Analysis – What a Director needs to know
Liang Ah Lit @ Nyah Chung Mun	Sustainability Report and Management Discussion & Analysis – What a Director needs to know
Chong Chee Siong	Future of Auditor Reporting – The game changer for boardroom
Chong Peng Khang	GST Procurement and Accounts Payable Related Party Transactions (RPT) – Their Implications to the Board of Directors, Audit Committee & Management Strategising HR for Performance Excellence Companies Act 2016 : Practical Insights on Compliance Tax and Immigration Considerations for Cross Border Employees to Malaysia Budget 2018 Tax Seminar Walking Through Contracts the MFRS 15 Way (Run 4)

3. Remuneration

The current practice is for the Executive Directors to be remunerated by taking into consideration their experience, responsibilities and contributions to ensure that the Company attracts and retains directors of the quality needed to manage the business of the Group. Non-executive Directors are paid an annual Directors' fees in addition to travelling allowance for attending Board and Board Committee meetings.

The Nomination and Remuneration Committee will propose to the Board on the Directors' fees payable and the ultimate decision will be made by the Board subject to the shareholders' approval at the Company's Annual General Meeting.

PRINCIPLE A (CONT'D)

BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

3. Remuneration (Cont'd)

No Directors' fees were paid to the Directors of the Company for services rendered in the subsidiary companies during the financial year ended 31 December 2017. The remuneration of each Directors of the Company for the financial year ended 31 December 2017 are as follows:

	TPC Plus Berhad (RM'000)					
	Fees *	**Salary**	**EPF**	**SOCSO**	**Allowances**	**Total**
Executive Directors						
Lim Yew Chua	–	–	–	–	–	–
Lim Yew Kwang	–	–	–	–	–	–
Lim Yew Piau	–	–	–	–	–	–
Non-Executive Directors						
Tan Sri Datuk Seri (Dr.) Abu Seman bin Hj. Yusop	30	–	–	–	–	30
Liang Ah Lit @ Nyah Chung Mun	30	–	–	–	–	30
Chong Chee Siong	30	–	–	–	–	30
Chong Peng Khang	30	–	–	–	–	30

	Subsidiaries of TPC Plus Berhad (RM'000)					
	Fees	**Salary**	**EPF**	**SOCSO**	**Allowances ***	**Total**
Executive Directors						
Lim Yew Chua	–	120	14.4	0.8	–	135.2
Lim Yew Kwang	–	120	14.4	0.8	–	135.2
Lim Yew Piau	–	120	14.4	0.8	–	135.2
Non-Executive Directors						
Tan Sri Datuk Seri (Dr.) Abu Seman bin Hj. Yusop	–	–	–	–	0.8	0.8
Liang Ah Lit @ Nyah Chung Mun	–	–	–	–	0.8	0.8
Chong Chee Siong	–	–	–	–	0.8	0.8
Chong Peng Khang	–	–	–	–	0.8	0.8

Note

* Subject to shareholders' approval at the 15th Annual General Meeting to be held on 31 May 2018

PRINCIPLE B

EFFECTIVE AUDIT AND RISK MANAGEMENT

1. Audit Committee

   The Company's Audit Committee comprises 4 Independent Non-executive Directors and none of them were former key audit partners. Mr Chong Peng Khang, a member of Malaysian Institute of Accountants and a Fellow Member of the Association of Chartered Certified Accountants, was appointed as Chairman of the Audit Committee on 29 August 2017 in place of YBhg. Tan Sri Datuk Seri (Dr.) Abu Seman bin Hj. Yusop, Chairman of the Board, who has relinquish his position as Chairman of the Audit Committee on the same day. With this change, the Chairman of the Audit Committee is no longer the Chairman of the Board.

   The Audit Committee has an External Auditors Assessment Policy established and an assessment on the Company's External Auditors was carried during the year. The Audit Committee is satisfied with the suitability and independence of the External Auditors and had recommended for the Board to endorse the re-election of the External Auditors at the forthcoming 15th Annual General Meeting to be held on 31 May 2018.

2. Risk Management and Internal Control Framework

   The Company's Risk Management Committee which comprises a majority of Independent Directors assists the Board in fulfilling its responsibilities in the risk governance and oversight function.

   During the financial year ended 31 December 2017, risks within the Group were identified and controls were put in place to monitor the risks. Risk owners were also identified and tasked to minimise the impact of these risks. Key risk profile of the Group was presented to the Risk Management Committee for its review and deliberation on its adequacy and effectiveness.

   The Company has outsourced its internal audit function to an independent consulting firm to assist the Board in monitoring and reviewing the effectiveness of the risk management, internal control and governance processes within the Group. In order to act independently from the management, the independent consulting firm will report directly to the Audit Committee.

   The Board is of the view that the risk management and internal control system put in place during 2017 is sufficient to safeguard shareholders' investment and the Group's assets.

   Further information on the Group's risk management and internal control is made available in the Statement on Risk Management and Internal Control of this Annual Report.

PRINCIPLE C

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

1. Communication with Stakeholders

   The Company is committed in providing clear, accurate and timely disclosure of all material information pertaining to its performance and operations to its shareholders and the general public.

   Circular to Shareholders and Annual Report were sent to shareholders and made accessible through the Company's Website. Announcements and quarterly results of the Company were also accessible through the same website.

2. Conduct of General Meetings

   The Company's Annual General Meeting remains the principal forum for dialogue and interaction with shareholders during which the shareholders may seek clarifications and comment on the Group's businesses and financial performance.

   An Extraordinary General Meeting was also held on 29 August 2017 to seek shareholders' mandate for new recurrent related party transaction of a revenue or trading nature.

   At least 21 days' notice and 14 days' notice were given for the 14th Annual General Meeting held on 25 May 2017 and the Extraordinary General Meeting respectively in accordance with Section 316(2) of the Companies Act 2016.

   During the general meetings, all the Directors were present to answer questions raised by the shareholders before the resolutions were put to vote by way of a poll.

   An independent scrutineer was appointed to validate the votes cast at the general meetings. The name of the independent scrutineer and the decisions for the respective resolutions were announced to Bursa Malaysia Securities Berhad on the same day of the general meetings.

KEY FOCUS AREAS AND FUTURE PRIORITIES

During the financial year ended 31 December 2017, the Board has reviewed the Company's corporate governance practices against the Code released by Securities Commission Malaysia on 26 April 2017 to determine whether there are any departure from the Code.

To comply with the Code, actions had been taken to ensure that the Chairman of the Audit Committee is not also the Chairman of the Board of Directors and that the existing Risk Management Committee comprises a majority of Independent Directors.

As for the financial year ending 31 December 2018, the Board will continue reviewing the existing policies and charters and establish new ones if it is deemed necessary to ensure that governance structure, roles and responsibilities, authority and procedures are clearly set out in guiding the Board, Management and staff.

This Corporate Governance Overview Statement was approved by the Board of Directors on 18 April 2018.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

Pursuant to paragraph 15.26(b) and Practice Note 9 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for the Main Market and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ('the Guidelines") and Malaysian Code on Corporate Governance, the Board of Directors ("the Board") of TPC Plus Berhad ("the Company") (collectively with its subsidiaries, "the Group") is pleased to present its statement on the state of the Group's system of risk management and internal control for the financial year ended 31 December 2017 in this Annual Report. The scope of this statement covers the Company and all operating subsidiaries.

RESPONSIBILITY

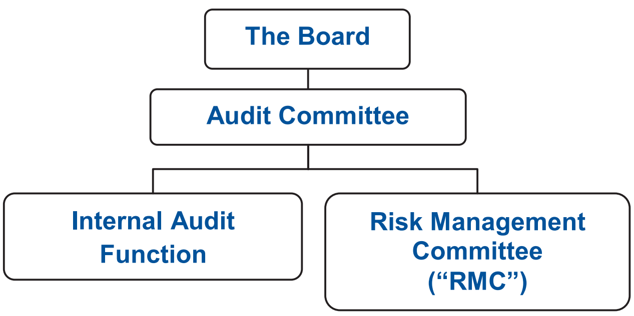
The Board acknowledges its overall responsibility for maintaining a good risk management practices, reviewing and overseeing the effectiveness and adequacy of the Group's risk management and internal controls system implemented by management and to establish risk appetite of the Group based on the corporate objectives, strategies, external environment, business nature and corporate/product lifecycle. The Board has delegated these aforementioned responsibilities to the Audit Committee whereby the Audit Committee is assigned with the duty, through its terms of reference and the Risk Management Framework approved by the Board, to provide assurance to the Board on the effectiveness of risk management and internal control systems of the Group. Through the Audit Committee, the Board is kept informed of all significant control issues brought to the attention of the Audit Committee by the Management, the internal audit function and the external auditors. The Board confirms that these processes have been in place for the financial year under review and up to the date of approval of this Statement for inclusion in the Annual Report of the Company.

Due to the inherent limitations in any risk management and internal control system, such system put into effect by the Management by its nature is designed to manage, rather than to eliminate, the risk of failure to achieve the Group's business objectives and can only provide reasonable and not absolute assurance against material misstatement, error or loss.

RISK MANAGEMENT SYSTEM

The Board recognize risk management as an integral part of system of internal control and good management practice in pursuit of its strategic objectives. The Board maintains an on-going commitment for identifying, evaluating and managing significant risks faced by the Group systematically during the financial year under review. The Board had put in place a structured Risk Management Framework ('RM Framework"), as the governance structure and processes for the risk management on enterprise wide, in order to embed the risk management practice into all level of the Group and to manage key business risks faced by the Group adequately and effectively as second line-of-defense. The duties for the identification, evaluation and management of the key business risk are delegated to the Risk Management Committee ("RMC"), made up of heads of departments led by Group Chairman.

The RM Framework established lays down the risk management's objectives and processes established by the Board with proper governance structure of the risk management activities of the Group established as follows:



RISK MANAGEMENT SYSTEM (CONT'D)

Clear roles and responsibilities of the Board, the Audit Committee, RMC, operation management (as risk owners), key risk officer and internal audit function are defined in the RM Framework. The RMC is chaired by Group Chairman and guided by formal terms of reference embodied in the RM Framework.

Systematic risk management process is stipulated in the RM Framework, whereby each step of the risk identification, risk assessment, control identification, risk treatment and control activities are laid down for application by the RMC and the operation management. Risk assessment, at gross and residual level, are guided by the likelihood rating and impact rating established by the Board that are stipulated in the RM Framework. Based on the risk management process, key risk registers were compiled by the RMC, with relevant key risks identified rated based on the agreed upon risk rating. The key risk registers are used for the identification of high residual risks which is above the risk appetite of the Group that require the Management and the Board's immediate attention and risk treatment as well as for future risk monitoring.

At strategic level, any business plans and business strategies will be presented to the Board for review and deliberation to ensure proposed plans and strategies are in line with the Group's risk appetite.

As first-line-of-defense, respective heads of departments/divisions (i.e. risk owners) are responsible for managing the risks under their responsibilities. Risk owners are responsible to ensure that business processes under their responsibilities are operating effectively and efficiently by way of maintaining effective internal controls and executing risk and control procedures.

The monitoring of the risk management by the Group is enhanced by the internal audits carried out by the outsourced internal audit function with specific audit objectives and business risks identified for each internal audit cycle based on the internal plan approved by the Audit Committee.
The above process has been practiced by the Group for the financial year under review and up to the date of approval of this statement.

Please refer to the "Risk Factors Exposure" of the Management Discussion and Analysis for the significant risks faced by the Group and the mitigation plans implemented.

INTERNAL CONTROL SYSTEM

The key elements of the Group's internal control systems are described below:

- Board of Directors/Board Committees

  Board Committees i.e. Audit Committee and Nomination and Remuneration Committee have been established to carry out duties and responsibilities delegated by the Board and are governed by written terms of reference.

  The Board conducts quarterly reviews of the Group's performance and financial positions at its meetings to ensure that the Group's overall objectives are achieved.

- Organisation Structure and Authorisation Procedures

  The Group has a formal organisation structure in place to ensure appropriate level of authorities and responsibilities are delegated accordingly to competent staffs in achieving operational effectiveness and efficiency. The delegation of authorities is guided by formal Delegated Authority Policy approved by the Board, supplemented by authorisation procedures for key processes are stated in the Group's other policies and procedure.

- Human Resource Policy

  Guidelines on human resource management are in place to ensure the Group's ability to operate in an effective and efficient manner by employing and retaining adequately competent employees who possess the necessary knowledge, skill and experience in carrying out their duties and responsibilities effectively and efficiently.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

INTERNAL CONTROL SYSTEM (CONT'D)

- Information and Communication

  Information critical to the achievement of the Group's business objectives are provided by the Senior Management to the Board. This allows matters that require the Board's attention to be highlighted for review, deliberation and decision making on a timely basis.

  At operational level, clear reporting lines are established across the Group and operation reports are prepared for dissemination to relevant personnel for effective communication of critical Information throughout the Group for timely decision making and execution in pursuit of the business objectives.

- Monitoring and Review

  As Executive Directors are closely and directly involved in daily operations of the Group, regular reviews of operational data including production, marketing and financial are performed by the Executive Directors. Apart from the above, the quarterly financial performance review containing key financial results and comparison against previous corresponding financial results are presented to the Board for their review.

  Furthermore, internal audits are carried out by the outsourced internal audit functions (which reports directly to the Audit Committee) on key risk areas identified based on the key risk profile of the Group. The internal audit functions assess the adequacy and effectiveness of internal controls in relation to specific governance, risk and control processes and highlights potential risks and implications of its observations that may impact the Group as well as recommend improvements on the observations made to minimise the risks. The results of the internal audits carried out are reported to the Audit Committee.

- Biosecurity and Disease Control

  Good farm management practices and biosecurity & disease controls to mitigate biosecurity and disease threats are incorporated into policies and procedures adopted by the farms, the production chain and distribution process.

INTERNAL AUDIT FUNCTIONS

The Group's internal audit function is outsourced and managed by a professional firm. The internal audit functions assists the Board and the Audit Committee in providing independent assessment of the adequacy, efficiency and effectiveness of the Group's governance, risk and control structure and processes.

The outsourced internal audit function report directly to the Audit Committee. The audit engagement of the outsourced internal audit function is governed by the engagement letter with key terms include purpose and scope of works, accountability, independence, the outsourced internal audit function's responsibilities, the management's responsibilities, the authority accorded to the outsourced internal audit function, limitation of scope of works, confidentiality, proposed fees and engagement team. The scope of control review by the outsourced internal audit function is determined and approved by the Audit Committee with feedback from executive management.

The engagement director of the outsourced internal audit function (Mr Pang Nam Ming) is a Certified Internal Auditor ("CIA") accredited by the Institute of Internal Auditors Global ("IIA") and a professional member of the Institute of Internal Auditors Malaysia ("IIAM"). The internal audit are carried out, in material aspect, in accordance with the International Professional Practices Framework ("IPPF") established IIA. The outsourced internal audit function is carried out by one (1) engagement director, one (1) managers/assistant manager and two (2) senior consultants/consultants during the financial year under review.

INTERNAL AUDIT FUNCTIONS (CONT'D)

The outsourced internal audit personnel are free from any relationship and conflict of interests with the Group, which could impair their objectivity and independence. To preserve the independence and objectivity, the outsourced internal audit function is not permitted to act on behalf of Management, decide and implement management action plan, perform on-going internal control monitoring activities (except for follow up on progress of action plan implementation), authorize and execute transactions, prepare source documents on transactions, have custody of assets or act in any capacity equivalent to a member of the Management or the employee.

The outsourced internal audit function is accorded unrestricted access to all functions, records, property, personnel, Audit and Risk Management Committee and other specialized services from within or outside the Group and necessary assistance of personnel in units of the Group where they perform audits.

The internal audit works are guided by risk-based internal audit plan drafted based on existing and emergent key business risks identified in the key risk registers of the Group, the Senior Management's opinion and previous internal audits performed, and subject to review and approval by the Audit Committee prior to its execution. Each internal audit cycles within the internal audit plan are specific with regard to audit objective, key risks to be assessed and scopes of the internal control review.

During financial year ended 31 December 2017, the outsourced internal audit function has conducted a review on farm management of Teck Ping Chan Agriculture Sdn Bhd, which is in accordance to the audit plan approved by Audit Committee.

Upon the completion of internal audit field works, the internal audit reports were presented to the Audit Committee during its scheduled meetings. The Internal audit findings, recommendations and the management response and action plan were presented and deliberated with the members of Audit Committee. Updates on the status of action plans as identified in the previous internal audit report are presented at subsequent Audit Committee meeting for review and deliberation.

The cost involved for the Review during the year ended 31 December 2017 amounted to approximately RM17,947.15.

MANAGEMENT RESPONSIBILITIES AND ASSURANCE

In accordance to the Guidelines, the Management is responsible to the Board for:

- identifying risks relevant to the business of the Group's objectives and strategies
- designing, implementing and monitoring the risk management framework in accordance with the Group's strategic vision and overall risk appetite; and
- identifying changes to risk or emerging risks, responding appropriately and promptly bringing these to the attention of the Board.

The Board has received assurance from the Group's Managing Director, being highest ranking executive in the Company and the person primarily responsible for the management of the financial affairs of the Company, that to the best of his knowledge, the Group's risk management and internal control systems are operating adequately and effectively, in all material aspects.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

OPINION AND CONCLUSION

The Board is of the opinion that the risk management and internal control systems are satisfactory and have not resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's annual report. The Board continues to take pertinent measures to sustain and, where required, to improve the Group's governance, risk and control structures and processes in meeting the Group's strategic objectives.

The Board is committed towards maintaining an effective risk management and internal control systems throughout the Group and where necessary put in place appropriate plans to further enhance the Group's systems of internal control. However, it should be noted that all risk management and internal control systems can only manage rather than eliminate risks of failure to achieve business objectives. Notwithstanding this, the Board will continue to evaluate and manage the significant business risks faced by the Group in order to meet its business objectives in the current and challenging business environment.

ASSURANCE PROVIDED BY EXTERNAL AUDITORS

Pursuant to paragraph 15.23 of the Listing Requirements, the External Auditors have reviewed this Risk Management and Internal Control Statement. Their review was performed in accordance with Recommended Practice Guide (RPG) 5 (revised): Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report, issued by the Malaysia Institute of Accountants. Based on their review, nothing has come to their attention that causes them to believe this Statement is not prepared, in all material aspects, in accordance with the disclosures required by paragraph 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Public Listed Companies to be set out, nor is factually incorrect.

This statement was approved by the Board of Directors on 18 April 2018.

AUDIT COMMITTEE REPORT

1. COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee appointed by the Board of Directors comprises the following Independent Non-executive Directors:

Chong Peng Khang	-	Chairman #
YBhg. Tan Sri Datuk Seri (Dr.) Abu Seman bin Hj. Yusop	-	Member ^
Liang Ah Lit @ Nyah Chung Mun	-	Member
Chong Chee Siong	-	Member

\# Mr Chong Peng Khang was re-designated as Chairman of the Audit Committee on 29 August 2017.

^ YBhg. Tan Sri Datuk Seri (Dr.) Abu Seman bin Hj. Yusop relinquished his position as Chairman of the Audit Committee on 29 August 2017 and was re-designated as member of the Committee on the same day.

2. TERMS OF REFERENCE

The Terms of Reference of the Audit Committee is available for reference on the Company's website at www.tpc.com.my

3. MEETINGS AND ATTENDANCE

The Committee met 4 times during the financial year ended 31 December 2017 and all the Committee Members attended every meeting held.

4. SUMMARY OF ACTIVITIES OF THE COMMITTEE

A summary of the main activities carried out by the Audit Committee during the financial year ended 31 December 2017 are as follows:

4.1 Financial reporting and external audit

4.1.1 Reviewed the Group's unaudited quarterly financial results with the management and external auditors before recommending the same to the Board of Directors for their approval and announcement to Bursa Malaysia Securities Berhad and submission to Securities Commission Malaysia.

4.1.2 Reviewed with the external auditors the Audit Review Memorandum for the financial year ended 31 December 2016 and discussed audit and accounting matters arising from the audit and the management's response towards these matters.

4.1.3 Discussed the Audit Planning Memorandum for the financial year ended 31 December 2017.

4.1.4 Reviewed and proposed for the Board's approval the Group's External Auditors Assessment Policy.

4.1.5 Evaluated the suitability and independence of the External Auditors and made recommendation to the Board on their re-appointment.

4. SUMMARY OF ACTIVITIES OF THE COMMITTEE (CONT'D)

4.2 Internal audit

4.2.1 Reviewed the Action Plan Progress Follow Up Report to follow up on the status and progress of Management's action plan in managing potential risks identified in previous internal audit findings.

4.2.2 Reviewed the Internal Audit Report on risk management and internal control system in farm management and assessed the findings made by the internal auditors and the management's comments and implementation plan.

4.2.3 Reviewed the Internal Audit Plan for the financial year ending 31 December 2018.

4.2.4 Reviewed and assessed the internal audit functions.

4.3 Related party transactions

4.3.1 Reviewed and ensure that the Review and Disclosure Procedures for related party transaction is adequate and appropriate.

4.3.2 Ensure that mandate has been received from shareholders for all recurrent related party transactions.

4.3.3 Ensure that all actual recurrent related party transactions are within the mandate received from shareholders.

4.4 Other matters

4.4.1 Approved the Audit Committee Report for inclusion in the Company's Annual Report.

ADDITIONAL COMPLIANCE INFORMATION

1. Audit and Non-audit fees paid or payable

Audit and non-audit fees paid or payable in respect of services rendered to the Company and its subsidiaries by Crowe Horwath, the Company's external auditors, or a firm or a corporation affiliated to Crowe Horwath for the financial year ended 31 December 2017 are as follows:

	2017 Audit Fee RM'000	2016 Tax Fee RM'000	2016 Review of Statement on Risk Management and Internal Control RM'000	Non-audit Services # RM'000	Total RM'000
Company	35	3	5	58	101
Subsidiaries	55	12	–		67
Total	90	15	5	58	168

The non-audit fees was incurred in relation to the limited review of the Company's results for the quarters ended 31 March 2017, 30 June 2017 and 30 September 2017.

2. Recurrent related party transactions

The recurrent related party transactions conducted during the financial year ended 31 December 2017 pursuant to the shareholders' mandate given to Teck Ping Chan Agriculture Sdn Bhd ("TPCA") are as follows:

Related party	Nature of transaction	Nature of relationship	Amount Transacted (RM)
Huat Lai Resources Berhad ("HLRB")	Sale of eggs by TPCA to HLRB	HLRB is a major shareholder of TPC holding 59.71% direct interest in TPC.	5,250,720.35
	Sale of layer feed by TPCA to HLRB		97,980.05
	Purchase of eggs, raw material and livestock by TPCA from HLRB		29,180,022.83
HLRB Processing Sdn Bhd ("HLPR")	Sales of spent layers by TPCA to HLPR	HLPR is a wholly-owned subsidiary of HLRB	1,479,573.73
Linggi Agriculture Sdn Bhd ("LASB")	Sale of layer feed by TPCA to LASB	LASB is a wholly-owned subsidiary of HLRB	10,444,398.75
Chuan Hong Poultry Farm Sdn Bhd ("CHPF")	Sale of layer feed and raw material by TPCA to CHPF	CHPF is a wholly-owned subsidiary of HLRB	2,948,040.67
Huat Lai Feedmill Sdn Bhd ("HLFM")	Purchase of grower feed and raw material by TPCA from HLFM	HLFM is a wholly-owned subsidiary of HLRB	14,325,650.81
Huat Lai Paper Products Sdn Bhd ("HLPP")	Purchase of egg trays by TPCA from HLPP	HLPP is a wholly-owned subsidiary of HLRB	1,965,289.50

3. Material contracts involving directors' and major shareholders' interest

There were no material contracts subsisting at the end of the financial year or entered into since the end of the previous financial year by the Company or its subsidiaries which involved the interests of Directors, chief executive who is not a director or major shareholders.

STATEMENT ON DIRECTORS' RESPONSIBILITY IN RELATION TO THE FINANCIAL STATEMENTS

The Directors are required to prepare financial statements for each financial year which have been made out in accordance with the applicable approved accounting standards and regulatory requirements and give a true and fair view of the state of affairs of the Group and Company at the end of the financial year and of the results and cash flows for that year then ended.

In preparing the financial statements of the Group and Company for the financial year ended 31 December 2017, the Directors are satisfied that the Management have:

i. adopted appropriate accounting policies and consistently applied them;
ii. made judgments and estimates that are reasonable and prudent;
iii. followed all applicable accounting standards; and
iv. prepared the financial statements on a going concern basis.

The Directors have also ensured that the proper accounting records kept disclose with reasonable accuracy the financial position of the Group and Company and enable the Directors to ensure that the financial statements comply with the Companies Act 2016 and MASB approved accounting standards.

The Directors are also responsible for taking steps that are reasonably available to them to safeguard the assets of the Group and Company and to detect and prevent fraud and other irregularities.

This statement is made in accordance with a resolution of the Board of Directors dated 18 April 2018.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2017.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and provision of management services. The principal activities of the subsidiaries are set out in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	THE GROUP RM	THE COMPANY RM
Loss after taxation for the financial year	(230,098)	(332,464)
Attributable to:-		
Owners of the Company	(230,098)	(332,464)

DIVIDENDS

No dividend was recommended by the directors for the financial year.

RESERVES AND PROVISIONS

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

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

(a) an issuance of 21,000 new ordinary shares from the exercise of Warrants 2016/2021 at the exercise price of RM0.20 per warrant which amounted to RM4,200.

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

(b) there were no issues of debentures by the Company.

WARRANTS

The above mentioned 80,000,000 warrants were issued on 20 January 2016 and listed on the Main Market of Bursa Malaysia Securities Berhad with effect from 22 January 2016.

Each Warrant carries the right to subscribe for 1 new ordinary share in the Company at any time from 20 January 2016 up to the expiry date on 19 January 2021 at an exercise price of RM0.20 or such adjusted price as determined in accordance with the provisions in the Deed Poll dated 18 November 2015 constituting the Warrants. Any warrant not exercised by the expiry of the exercise period will lapse and cease to be valid for all purposes.

All the ordinary shares issued from the exercise of Warrants shall rank pari passu in all respects with the then existing ordinary shares of the Company save and except that the new ordinary shares shall not be entitled to any dividend, right, allotment and/or other forms of distributions where the entitlement date of such dividend, right, allotment and/or other forms of distribution precedes the relevant date of allotment and issuance of the new shares.

OPTIONS GRANTED OVER UNISSUED SHARES

Other than for the above mentioned warrants, no options were granted by the Company to any person to take up any unissued shares in the Company during the financial year.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables, and satisfied themselves that there are no known bad debts and that no allowance for impairment losses on receivables is required.

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts, or the allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

The contingent liabilities are disclosed in Note 34 to the financial statements. At the date of this report, there does not exist:-

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

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

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

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

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

CHONG CHEE SIONG
CHONG PENG KHANG
LIANG AH LIT @ NYAH CHUNG MUN
LIM YEW CHUA
LIM YEW KWANG
LIM YEW PIAU
YBHG. TAN SRI DATUK SERI (DR.) ABU SEMAN BIN HJ. YUSOP

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of the directors holding office at the end of the financial year in shares and/or warrants of the Company and its related corporations during the financial year are as follows:-

		NUMBER OF ORDINARY SHARES		
	AT 1.1.2017	**BOUGHT**	**SOLD**	**AT 31.12.2017**
THE COMPANY				
DIRECT INTERESTS				
CHONG CHEE SIONG	16,200	–	(16,200)	–

		WARRANTS 2016/2021		
	AT 1.1.2017	**ACQUIRED**	**EXERCISED**	**AT 31.12.2017**
THE COMPANY				
DIRECT INTERESTS				
CHONG CHEE SIONG	7,467	–	(7,467)	–

The other directors holding office at the end of the financial year had no interest in shares and/or warrants of the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by directors shown in the financial statements, or the fixed salary of a full-time employee of the Company or related corporations) by reason of a contract made by the Company or a related corporation with the 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.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are disclosed in Note 28 to the financial statements.

INDEMNITY AND INSURANCE COST

During the financial year, there is no indemnity given to or professional indemnity insurance effected for directors, officers or auditors of the Group and of the Company.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 6 to the financial statements.

DIRECTORS' REPORT (CONT'D)

HOLDING COMPANIES

The immediate and ultimate holding companies are Huat Lai Resources Berhad and Esprit Unity Sdn. Bhd. respectively. Both the aforesaid holding companies are incorporated in Malaysia.

AUDITORS

The auditors, Messrs. Crowe Horwath, have expressed their willingness to continue in office.

The auditors' remuneration are disclosed in Note 27 to the financial statements.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS DATED 18 APRIL 2018

Lim Yew Chua

Lim Yew Kwang

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Lim Yew Chua and Lim Yew Kwang, being two of the directors of TPC Plus Berhad, state that, in the opinion of the directors, the financial statements set out on pages 44 to 94 are drawn up in accordance with Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and the Company as of 31 December 2017 and of their financial performance and cash flows for the financial year ended on that date.

**SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
DATED 18 APRIL 2018**

Lim Yew Chua **Lim Yew Kwang**

STATUTORY DECLARATION
PERSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, Lim Yew Chua, I/C No. 670605-04-5141, being the officer primarily responsible for the financial management of TPC Plus Berhad, do solemnly and sincerely declare that the financial statements set out on pages 44 to 94 are, to the best of my knowledge and belief, 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 Lim Yew Chua,
I/C No. 670605-04-5141 in the state
of Melaka on this 18 April 2018

Lim Yew Chua

Before me

Shahrizah Binti Yahya (M084)
Commissioner for Oaths

INDEPENDENT AUDITORS'
REPORT TO THE MEMBERS OF TPC PLUS BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of TPC Plus Berhad, which comprise the statements of financial position as at 31 December 2017 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 financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 44 to 94.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2017, and of their financial performance and their cash flows for the financial year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Recoverability of trade receivables – fellow subsidiaries Refer to Note 12 to the financial statements	
Key audit matter	**How our audit addressed the key audit matter**
As at 31 December 2017, trade debts owing by fellow subsidiaries which are not within TPC Plus Berhad's Group amount to RM12.511 million. Hence, the assessment of recoverability of these trade debts involve judgement and customer credit worthiness.	Our procedures included, amongst others: • We vouched to delivery orders and sales invoices to verify the existence of these trade debts; • We considered subsequent receipt after year end; and • We reviewed a legally enforceable corporate guarantee given by Huat Lai Resources Berhad ("HLRB"), the immediate holding company, in respect of debts owing by these fellow subsidiaries and assessed the financial ability of HLRB to honour this corporate guarantee in the event of default by these fellow subsidiaries.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (Cont'd)

We have determined the matters described below to be the key audit matters to be communicated in our report (Cont'd).

Impairment assessment of biological assets Refer to Notes 5(a)(iii), 5(i) and 8 to the financial statements	
Key audit matter	**How our audit addressed the key audit matter**
The Group's biological assets (layer chicks) has a carrying value of RM21.743 million and represents the largest component in the Group's current assets as at year end. Historical experience indicates that the recoverable value of the biological assets towards the end of their productive lives may be lower than their carrying values.	To address this risk, we compared the carrying values of the layer chicks as at the end of the financial year with their estimated realisable values prepared by management. We reviewed the calculations in the estimates as well as the key assumptions employed by management to assess the reasonableness of these assumptions.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TPC PLUS BERHAD (CONT'D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As a part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TPC PLUS BERHAD (CONT'D)

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Horwath
Firm No: AF 1018
Chartered Accountants

Wong Tak Mun
Approval No: 01793/09/2018 J
Chartered Accountant

Melaka

18 April 2018

STATEMENTS OF FINANCIAL POSITION
AT 31 DECEMBER 2017

		THE GROUP		THE COMPANY	
		2017	2016	2017	2016
	NOTE	RM	RM (Restated)	RM	RM
ASSETS					
NON-CURRENT ASSETS					
Investment in subsidiaries	6	–	–	63,335,894	57,269,227
Property, plant and equipment	7	111,499,534	81,026,046	–	–
		111,499,534	81,026,046	63,335,894	57,269,227
CURRENT ASSETS					
Biological assets	8	18,257,930	16,096,261	–	–
Inventories	9	3,484,914	1,068,732	–	–
Trade receivables	10	7,656,592	4,940,498	–	–
Other receivables, deposits and prepayments	11	3,939,568	1,503,642	3,310	3,260
Current tax assets		–	–	400	–
Amount owing by related companies	12	12,511,507	74,634	–	–
Short-term investment	13	551,328	5,028,346	–	–
Fixed deposits with financial institutions	14	460,000	6,696,140	–	6,146,140
Cash and bank balances		4,809,900	4,380,214	61,693	359,034
		51,671,739	39,788,467	65,403	6,508,434
TOTAL ASSETS		163,171,273	120,814,513	63,401,297	63,777,661
EQUITY AND LIABILITIES					
EQUITY					
Share capital	15	46,764,467	46,754,855	46,764,467	46,754,855
Share premium	15	5,245,145	5,245,145	5,245,145	5,245,145
Warrant reserve	15	19,324,895	19,330,307	19,324,895	19,330,307
Revaluation reserve	16	14,731,809	14,731,809	–	–
Accumulated losses		(13,165,584)	(12,935,486)	(8,224,319)	(7,891,855)
Equity attributable to owners of the Company		72,900,732	73,126,630	63,110,188	63,438,452

The annexed notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION
AT 31 DECEMBER 2017 (CONT'D)

		THE GROUP		THE COMPANY	
	NOTE	2017 RM	2016 RM	2017 RM	2016 RM
NON-CURRENT LIABILITIES					
Deferred tax liabilities	17	5,855,427	6,999,427	–	–
Long term borrowings	18	24,447,327	10,872,143	–	–
		30,302,754	17,871,570	–	–
CURRENT LIABILITIES					
Trade payables	21	26,156,974	2,158,335	–	–
Other payables and accruals	22	4,555,358	3,090,755	156,675	195,175
Amount owing to related companies	23	7,053,270	12,069,012	134,434	134,434
Bank overdrafts	24	1,725,418	–	–	–
Short term borrowings	25	20,432,709	12,413,446	–	–
Current tax liabilities		44,058	84,765	–	9,600
		59,967,787	29,816,313	291,109	339,209
TOTAL LIABILITIES		90,270,541	47,687,883	291,109	339,209
TOTAL EQUITY AND LIABILITIES		163,171,273	120,814,513	63,401,297	63,777,661

The annexed notes form an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	NOTE	THE GROUP 2017 RM	THE GROUP 2016 RM	THE COMPANY 2017 RM	THE COMPANY 2016 RM
REVENUE	26	114,427,525	94,441,979	–	–
COST OF SALES		(110,230,620)	(83,926,787)	–	–
GROSS PROFIT		4,196,905	10,515,192	–	–
OTHER OPERATING INCOME		168,970	546,712	51,035	382,304
		4,365,875	11,061,904	51,035	382,304
ADMINISTRATIVE EXPENSES		(2,398,967)	(2,603,563)	(334,157)	(489,907)
SELLING AND DISTRIBUTION EXPENSES		(523,316)	(347,738)	–	–
OTHER OPERATING EXPENSES		(30,077)	(30,034)	–	–
FINANCE COSTS		(2,669,835)	(2,655,912)	–	–
(LOSS)/PROFIT BEFORE TAXATION	27	(1,256,320)	5,424,657	(283,122)	(107,603)
TAXATION	30	1,026,222	(1,537,730)	(49,342)	(15,140)
(LOSS)/PROFIT AFTER TAXATION		(230,098)	3,886,927	(332,464)	(122,743)
OTHER COMPREHENSIVE INCOME					
Items that Will Not be Reclassified Subsequently to Profit or Loss					
Revaluation of property, plant and equipment		–	9,882,696	–	–
TOTAL COMPREHENSIVE (EXPENSES)/INCOME FOR THE FINANCIAL YEAR		(230,098)	13,769,623	(332,464)	(122,743)
(LOSS)/PROFIT AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		(230,098)	3,886,927	(332,464)	(122,743)
TOTAL COMPREHENSIVE (EXPENSES)/INCOME ATTRIBUTABLE TO:-					
Owners of the Company		(230,098)	13,769,623	(332,464)	(122,743)
(LOSS)/EARNINGS per share (SEN)	31				
- Basic		(0.10)	1.74		
- Diluted		(0.10)	1.62		

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

		← NON - DISTRIBUTABLE		→		
THE GROUP	SHARE CAPITAL RM	SHARE PREMIUM RM	WARRANT RESERVE RM	REVALUATION RESERVE RM	(ACCUMULATED LOSSES)/ RETAINED PROFITS RM	ATTRIBUTABLE TO THE OWNER OF THE COMPANY RM
At 1.1.2016	16,000,000	–	–	4,849,113	3,793,587	24,642,700
Issuance of rights issue shares with warrants	24,000,000	–	20,616,000	–	(20,616,000)	24,000,000
Issuance of shares	6,754,855	5,245,145	–	–	–	12,000,000
Share issuance expenses	–	–	(1,285,693)	–	–	(1,285,693)
Profit after taxation	–	–	–	–	3,886,927	3,886,927
Other comprehensive income for the financial year - Revaluation of property, plant and equipment	–	–	–	9,882,696	–	9,882,696
Total comprehensive income for the financial year	–	–	–	9,882,696	3,886,927	13,769,623
Balance at 31.12.2016/1.1.2017	46,754,855	5,245,145	19,330,307	14,731,809	(12,935,486)	73,126,630
Exercise of warrant	9,612	–	(5,412)	–	–	4,200
Total comprehensive expenses for the financial year	–	–	–	–	(230,098)	(230,098)
Balance at 31.12.2017	46,764,467	5,245,145	19,324,895	14,731,809	(13,165,584)	72,900,732

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (CONT'D)

THE COMPANY	SHARE CAPITAL RM	NON - DISTRIBUTABLE SHARE PREMIUM RM	NON - DISTRIBUTABLE WARRANT RESERVE RM	(ACCUMULATED LOSSES)/ RETAINED PROFITS RM	TOTAL EQUITY RM
At 1.1.2016	16,000,000	–	–	12,846,888	28,846,888
Issuance of rights issue shares with warrants	24,000,000	–	20,616,000	(20,616,000)	24,000,000
Issuance of shares	6,754,855	5,245,145	–	–	12,000,000
Share issuance expenses	–	–	(1,285,693)	–	(1,285,693)
Loss after taxation/Total comprehensive expenses for the financial year	–	–	–	(122,743)	(122,743)
Balance at 31.12.2016/1.1.2017	46,754,855	5,245,145	19,330,307	(7,891,855)	63,438,452
Exercise of warrant	9,612	–	(5,412)	–	4,200
Loss after taxation/Total comprehensive expenses for the financial year	–	–	–	(332,464)	(332,464)
Balance at 31.12.2017	46,764,467	5,245,145	19,324,895	(8,224,319)	63,110,188

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	NOTE	THE GROUP 2017 RM	THE GROUP 2016 RM	THE COMPANY 2017 RM	THE COMPANY 2016 RM
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES					
(Loss)/Profit after taxation		(230,098)	3,886,927	(332,464)	(122,743)
Adjustments for:-					
Depreciation of property, plant and equipment		8,961,261	7,036,361	–	–
Interest expense		2,669,835	2,655,912	–	–
Dividend income		(51,328)	–	–	–
Interest income		(63,830)	(465,128)	(51,035)	(382,304)
Tax charge		(1,026,222)	1,537,730	49,342	15,140
Operating profit/(loss) before working capital changes		10,259,618	14,651,802	(334,157)	(489,907)
Increase in inventories		(2,416,182)	(9,825)	–	–
Increase in biological assets		(2,161,669)	(2,067,111)	–	–
(Increase)/Decrease in trade and other receivables		(17,588,893)	1,012,037	(50)	603,434
Increase/(Decrease) in trade and other payables		17,505,317	(3,126,250)	(38,500)	(172,835)
CASH FROM/(FOR) OPERATIONS		5,598,191	10,460,653	(372,707)	(59,308)
Tax paid		(158,485)	(52,244)	(59,342)	–
NET CASH FROM/(FOR) OPERATING ACTIVITIES		5,439,706	10,408,409	(432,049)	(59,308)
CASH FOR INVESTING ACTIVITIES					
Advance to subsidiary		–	–	(6,066,667)	(16,819,171)
Dividend received		51,328	–	–	–
Interest received		63,830	465,128	51,035	382,304
Decrease in fixed deposits pledged		90,000	1,072,087	–	–
Purchase of property, plant and equipment	32(a)	(29,726,840)	(4,611,254)	–	–
NET CASH FOR INVESTING ACTIVITIES		(29,521,682)	(3,074,039)	(6,015,632)	(16,436,867)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (CONT'D)

		THE GROUP		THE COMPANY	
		2017	2016	2017	2016
	NOTE	RM	RM	RM	RM
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES					
Advance from related companies		155,329	21,288	–	–
Interest paid	32(b)	(2,669,835)	(2,655,912)	–	–
Drawdown of term loan	32(b)	19,930,000	–	–	–
Proceeds from issuance of ordinary shares		4,200	–	4,200	–
Proceeds from issuance of right shares		–	24,000,000	–	24,000,000
Payment of share issuance expenses		–	(1,285,693)	–	(1,285,693)
Drawdown/(Repayment) of bankers' acceptances	32(b)	4,548,000	(4,999,000)	–	–
Repayment of term loans	32(b)	(6,616,417)	(5,559,529)	–	–
Repayment of hire purchase obligations	32(b)	(3,188,191)	(2,538,678)	–	–
NET CASH FROM/(FOR) FINANCING ACTIVITIES		12,163,086	6,982,476	4,200	22,714,307
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(11,918,890)	14,316,846	(6,443,481)	6,218,132
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		15,554,700	1,237,854	6,505,174	287,042
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	32(c)	3,635,810	15,554,700	61,693	6,505,174

The annexed notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office and principal place of business are as follows:-

Registered office	:	PT 1678, Mukim of Serkam 77300 Merlimau Melaka
Principal place of business	:	Lot 942, Simpang Ampat 78000 Alor Gajah Melaka

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 18 April 2018.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and provision of management services. The principal activities of the subsidiaries are set out in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. HOLDING COMPANIES

The immediate and ultimate holding companies are Huat Lai Resources Berhad and Esprit Unity Sdn. Bhd. respectively. Both the aforesaid holding companies are incorporated in Malaysia.

4. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Financial Reporting Standards ("FRSs") and the requirements of the Companies Act 2016 in Malaysia.

(i) During the current financial year, the Group has adopted the following new accounting standards and interpretations (including the consequential amendments, if any):-

FRSs and/or IC Interpretations (Including The Consequential Amendments)
Amendments to FRS 107: Disclosure Initiative
Amendments to FRS 112: Recognition of Deferred Tax Assets for Unrealised Losses
Annual Improvements to FRS Standards 2014 – 2016 Cycles: Amendments to FRS 12: Clarification of the Scope of the Standard

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.

4. BASIS OF PREPARATION (CONT'D)

(ii) The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

FRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
FRS 9 Financial Instruments (IFRS 9 as issued by IASB in July 2014)	1 January 2018
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018
IC Interpretation 23 Uncertainty over Income Tax Treatments	1 January 2019
Amendments to FRS 2: Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to FRS 4: Applying FRS 9 Financial Instruments with FRS 4 Insurance Contracts	1 January 2018
Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to FRS 140 – Transfers of Investment Property	1 January 2018
Annual Improvements to FRS Standards 2014 – 2016 Cycles:	
• Amendments to FRS 1: Deletion of Short-term Exemptions for First-time Adopters	
• Amendments to FRS 128: Measuring an Associate or Joint Venture at Fair Value	1 January 2018

As disclosed in Note 4(iii) to the financial statements, the Group will be applying the Malaysian Financial Reporting Standards Framework for the annual period beginning on or after 1 January 2018. Therefore, the FRSs which are effective for annual periods beginning on or after 1 January 2018 above will not be applicable to the Group.

(iii) MASB has issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("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 venturer (herein called "transitioning entities").

As further 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.

As a transitioning entity as defined above, the Group will be presenting its first MFRS financial statements in the next financial year. In presenting these financial statements, the Group is required to adjust the comparative financial statements prepared under the FRSs to amounts reflecting the application of MFRSs. The majority of the adjustments required on transition would be made, retrospectively, against opening retained profits at 1 January 2017. Based on the current assessment, it is expected that the Group will record the following transition financial impacts:-

	(Accumulated Losses)/ Retained Profits as at	
	31.12.2017/ 1.1.2018 RM	31.12.2016/ 1.1.2017 RM
Per FRS framework	(13,165,584)	(12,935,486)
Effect on change in accounting policy to fair value of biological assets ~ MFRS 141	21,723,370	10,410,144
Effect on change in accounting policy to financial instruments ~ MFRS 9	(295,584)	–
Per MFRS framework	8,262,202	(2,525,342)

4. BASIS OF PREPARATION (CONT'D)

(iii) As a transitioning entity as defined above, the Group will be presenting its first MFRS financial statements in the next financial year. In presenting these financial statements, the Group is required to adjust the comparative financial statements prepared under the FRSs to amounts reflecting the application of MFRSs. The majority of the adjustments required on transition would be made, retrospectively, against opening retained profits at 1 January 2017. Based on the current assessment, it is expected that the Group will record the following transition financial impacts (Cont'd):-

	2017 RM
(Loss)/Profit After Taxation	
Per FRS framework	(230,098)
Effect on change in accounting policy to fair value of biological assets ~ MFRS 141	11,313,226
Effect on change in accounting policy to financial instruments ~ MFRS 9	(295,584)
Per MFRS framework	10,787,544

While the assessment has been substantially completed for the transitioning, the actual financial impacts upon the initial adoption of the MFRS framework may differ from those disclosed above as the assessment completed to date is based on the information currently available to the Company and further impacts may be identified before the new accounting standards are initially applied in the next financial year.

MFRS 9 (IFRS 9 issued by IASB in July 2014)

MFRS 9 (IFRS 9 issued by IASB in July 2014) replaces the existing guidance in MFRS 139 and introduces a revised guidance on the classification and measurement of financial instruments, including a single forward-looking 'expected loss' impairment model for calculating impairment on financial assets, and a new approach to hedge accounting. Under this MFRS 9, the classification of financial assets is driven by cash flow characteristics and the business model in which a financial asset is held.

Impairment – Under MFRS 9, it will no longer be necessary for a loss event to occur before an impairment loss is recognised. Instead, Group is required to recognise and measure a lifetime expected credit loss on its debt instruments. This application will result in earlier recognition of credit losses. The expected transition financial impacts arising from the adoption of MFRS 9 are summarised above.

MFRS 15: Revenue from Contracts with Customers & Amendments to MFRS 15: Effective Date of MFRS 15 & Amendments to MFRS 15: Clarifications to MFRS 15

MFRS 15 establishes a single comprehensive model for revenue recognition and will supersede the current revenue recognition guidance and other related interpretations when it becomes effective. Under MFRS 15, an entity shall recognise revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the distinct promised goods or services underlying the particular performance obligation is transferred to the customers. The amendments to MFRS 15 further clarify the concept of 'distinct' for the purposes of this accounting standard. In addition, extensive disclosures are also required by MFRS 15 about the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers. The adoption of MFRS 15 is expected to have no material impact on the financial statements of the Group upon their initial application.

4. BASIS OF PREPARATION (CONT'D)

(iii) *MFRS 141: Agriculture*

MFRS 141 requires measurement at fair value less costs to sell from initial recognition of biological assets, except for bearer plants, up to the point of harvest, other than when fair value cannot be measured reliably on initial recognition. This standard requires that subsequent change in fair value less costs to sell of a biological asset to be recognised in profit or loss for the period in which it arises. The expected transition financial impacts arising from the adoption of MFRS 141 are also summarised above.

5. SIGNIFICANT ACCOUNTING POLICIES

(a) Critical Accounting Estimates And Judgments

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

(i) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. 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 property and equipment as at the reporting date is disclosed in Note 7 to the financial statements.

(ii) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the year in which such determination is made.

(iii) Biological Assets

Biological assets comprise layers and their cost is amortised on a straight-line basis to write off the cost to their net realisable values over their economic egg-laying lives. Management estimates the useful life of these layers is 80 weeks. Significant changes in market price of eggs could impact the economic useful lives of layers and future amortisation charges could be revised.

The layers are also stated at the lower of amortised cost and net realisable value. The estimated net realisable values of layers require critical assumptions relating to egg prices, feed costs and layers productivity.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Critical Accounting Estimates And Judgments (Cont'd)

Key Sources of Estimation Uncertainty (Cont'd)

(iv) Impairment of Trade Receivables

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its loan and receivables financial assets and analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgement to evaluate the adequacy of the allowance for impairment losses. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables. The carrying amount of trade receivables as at the reporting date is disclosed in Note 10 to the financial statements.

(v) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at the reporting date is disclosed in Note 9 to the financial statements.

(vi) Property under Revaluation

Certain properties of the Group are reported at revalued amounts which are based on valuations performed by independent professional valuers by reference to the selling prices of recent transactions and asking prices of similar properties of nearby location and where necessary. Other factors such as model assumptions, market dislocations and unexpected correlations can also materially affect these estimates and the resulting valuations. The carrying amount of property and equipment measured at revaluation as at the reporting date is disclosed in Note 7 to the financial statements.

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the Group's accounting policies which will have a significant effect on the amounts recognised in the financial statements.

(b) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities (including structured entities, if any) controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current liability to direct the activities of the investee that significantly affect the investee's return.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Basis of Consolidation (Cont'd)

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and

(ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 139 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Business Combinations from 1 January 2011 Onwards

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

Business combinations before 1 January 2011

All subsidiaries are consolidated using the purchase method. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the consolidated financial statements. The cost of acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination.

Non-controlling interests are initially measured at their share of the fair values of the identifiable assets and liabilities of the acquiree as at the date of acquisition.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Functional and Foreign Currencies

(i) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

(ii) Foreign Currency Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the exchange rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

(d) Financial Instruments

Financial assets and financial liabilities are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in FRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(i) Financial Assets

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables financial assets, or available-for-sale financial assets, as appropriate.

- *Financial Assets at Fair Value Through Profit or Loss*

  Financial assets are classified as financial assets at fair value through profit or loss when the financial asset is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Financial Instruments (Cont'd)

(i) Financial Assets (Cont'd)

- *Financial Assets at Fair Value Through Profit or Loss (Cont'd)*

  Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established.

  Financial assets at fair value through profit or loss could be presented as current assets or non-current assets. Financial assets that are held primarily for trading purposes are presented as current assets whereas financial assets that are not held primarily for trading purposes are presented as current assets or non-current assets based on the settlement date.

- *Held-to-maturity Investments*

  As at the end of the reporting period, there were no financial assets classified under this category.

- *Loans and Receivables Financial Assets*

  Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

  The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

  Loans and receivables financial assets are classified as current assets, except for those having settlement dates later than 12 months after the reporting date which are classified as non-current assets.

- *Available-for-sale Financial Assets*

  As at the end of the reporting period, there were no financial assets classified under this category.

(ii) Financial Liabilities

- *Financial Liabilities at Fair Value through Profit or Loss*

  Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Financial Instruments (Cont'd)

(ii) Financial Liabilities (Cont'd)

- *Other Financial Liabilities*

  Other financial liabilities are initially measured at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

  The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(iii) Equity Instruments

Equity instruments classified as equity are measured initially at cost and are not remeasured subsequently.

Ordinary shares are classified as equity and recorded at the proceeds received, net of directly attributable transaction costs.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(iv) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(e) Investments in Subsidiaries

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments included transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Property, Plant and Equipment

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that are directly attributable to the acquisition of the asset and other costs directly attributable to bringing the asset to working condition for its intended use.

Subsequent to initial recognition, all property, plant and equipment, other than freehold land and buildings, are stated at cost less accumulated depreciation and any impairment losses.

Freehold land is stated at valuation less impairment losses recognised after the date of the revaluation. Buildings are stated at revalued amount less accumulated depreciation and impairment losses recognised after the date of the revaluation.

Freehold land and buildings are revalued periodically, at least once in every five years. Surpluses arising from the revaluation are recognised in other comprehensive income and accumulated in equity under the revaluation reserve to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss. Deficits arising from the revaluation, to the extent that they are not supported by any previous revaluation surpluses, are recognised in profit or loss.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Freehold land is not depreciated. Depreciation on other property and equipment is charged to profit or loss (unless it is included in the carrying amount of another asset) on a straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Buildings	5 to 20 years
Plant and machinery	6.67% to 10%
Office equipment, furniture and fittings	10%
Road	10%
Motor vehicles	20%

Capital work-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property and equipment. Any changes are accounted for as a change in estimate.

When significant parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss. The revaluation reserve included in equity is transferred directly to retained profits on retirement or disposal of the asset.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Impairment

(i) Impairment of Financial Assets

All financial assets (other than those categorised at fair value through profit or loss and investments in subsidiaries), are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset.

An impairment loss in respect of held-to-maturity investments and loans and receivables financial assets is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(ii) Impairment of Non-financial Assets

The carrying values of assets, other than those to which FRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when an annual impairment assessment is compulsory or there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value-in-use, which is measured by reference to discounted future cash flows 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 it is not possible to estimate the recoverable amount of an individual asset, the Group determines the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss.

When there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

(h) Finance Assets

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. The corresponding liability is included in the statement of financial position as hire purchase payables.

Minimum lease payments made under finance leases are apportioned between the finance costs and the reduction of the outstanding liability. The finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised in the profit or loss and allocated over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each accounting period.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Biological Assets

Biological assets comprise layers and are stated at the lower of amortised cost and net realisable value.

Cost of layers includes the costs of growing them to the point of commercial laying. The total cost, after deducting estimated residual value, is amortised over the layer's estimated economic life.

Plantation development expenditure for oil palm and rubber comprises expenditure incurred on new planting of rootstocks is capitalised and not amortised.

(j) Inventories

Eggs are stated at the lower of cost and net realisable value. Cost of eggs includes direct production costs and appropriate production overheads and is determined on the weighted average basis. Cost of poultry feed includes cost of materials, direct production costs and appropriate production overheads and is determined on the weighted average basis.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

(k) Income Taxes

(i) Current Tax

Current tax assets and liabilities are expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and 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).

(ii) Deferred Tax

Deferred tax are recognised using the liability method for all temporary differences other than those that arise from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

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

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill or negative goodwill.

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Income Taxes (Cont'd)

(iii) Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of GST except for when the GST in a purchase of assets or services which are not recoverable from the taxation authorities, the GST are included as part of the costs of the assets acquired or as part of the expense item whichever is applicable.

In addition, receivables and payables are also stated with the amount of GST included (where applicable).

The net amount of the GST recoverable from or payable to the taxation authorities at the end of the reporting period is included in other receivables or other payables.

(l) Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specific debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period and the amount initially recognised less cumulative amortisation.

(m) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

All other borrowing costs are recognised in profit or loss as expenses in the period in which they incurred.

Investment income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(n) Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker, which in this case are the Board of Directors, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

(o) Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Employee Benefits

(i) Short-term benefits

Wages, salaries, paid annual leave and bonuses are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

(ii) Defined contribution plans

The Group's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

(q) Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements, unless the probability of outflow of economic benefits is remote. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

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

A contingent asset is not recognised but is disclosed in the notes to the financial statements when an inflow of economic benefits is probable. When its inflow of economic benefit is virtually certain, then the related asset is recognised in the statement of financial position.

(r) Earnings Per Ordinary Share

Basic earnings per ordinary share is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for own shares held.

Diluted earnings per ordinary share is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares, if any.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

(t) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable, net of returns, goods and services tax, cash and trade discounts.

(i) Sales of Goods

Revenue from sale of goods is recognised when significant risks and rewards of ownership of the goods have been transferred to the buyer and where the Group does not have continuing managerial involvement and effective control over the goods sold.

(ii) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

(iii) Dividend Income

Dividend income from investment is recognised when the right to receive dividend payment is established.

6. INVESTMENT IN SUBSIDIARIES

	THE COMPANY 2017 RM	THE COMPANY 2016 RM
Unquoted shares, at cost	77,479,899	71,479,899
Less: Impairment loss	(14,265,583)	(14,265,583)
	63,214,316	57,214,316
Quasi loans	121,578	54,911
	63,335,894	57,269,227

Quasi loans represent unsecured interest-free advances to a subsidiary of which repayment is at the discretion of the subsidiary. These amounts are, in substance, a part of the Company's net investment in the subsidiary. The quasi loans are stated at cost less accumulated impairment losses, if any.

Details of the subsidiaries are as follows:-

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent 2017 %	Percentage of Issued Share Capital Held by Parent 2016 %	Principal Activities
Teck Ping Chan Agriculture Sdn. Bhd.	Malaysia	100	100	Poultry farming
Teck Ping Chan (1976) Sdn. Bhd.	Malaysia	100	100	Dormant
Mestika Arif Sdn. Bhd. *	Malaysia	100	100	Oil palm production

* Held by Teck Ping Chan Agriculture Sdn. Bhd., a subsidiary of the Company

7. PROPERTY, PLANT AND EQUIPMENT

THE GROUP CARRYING AMOUNT	AT 1.1.2017 RM	ADDITIONS (Note 32) RM	RECLASSIFICATION RM	DEPRECIATION CHARGE RM	AT 31.12.2017 RM
Freehold land	31,735,303	2,993,630	–	–	34,728,933
Buildings	23,821,605	8,968,885	2,780,280	(3,831,380)	31,739,390
Plant and machinery	20,211,103	16,809,722	–	(4,465,828)	32,554,997
Office equipment, furniture and fittings	1,748,797	74,574	–	(328,426)	1,494,945
Road	19,237	–	–	(4,460)	14,777
Motor vehicles	709,721	758,512	–	(331,167)	1,137,066
Work-in-progress	2,780,280	9,829,426	(2,780,280)	–	9,829,426
Total	81,026,046	39,434,749	–	(8,961,261)	111,499,534

THE GROUP CARRYING AMOUNT	AT 1.1.2016 RM	ADDITIONS (Note 32) RM	REVALUATION SURPLUS RM	DEPRECIATION CHARGE RM	AT 31.12.2016 RM
Freehold land	21,791,463	106,553	9,837,287	–	31,735,303
Buildings	20,106,511	1,059,901	5,317,614	(2,662,421)	23,821,605
Plant and machinery	20,305,789	3,609,726	–	(3,704,412)	20,211,103
Office equipment, furniture and fittings	2,082,569	31,589	–	(365,361)	1,748,797
Road	31,042	–	–	(11,805)	19,237
Motor vehicles	724,115	277,968	–	(292,362)	709,721
Work-in-progress	–	2,780,280	–	–	2,780,280
Total	65,041,489	7,866,017	15,154,901	(7,036,361)	81,026,046

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

THE GROUP 2017	AT COST RM	AT VALUATIONS RM	ACCUMULATED DEPRECIATION RM	CARRYING AMOUNT RM
Freehold land	3,068,933	31,660,000	–	34,728,933
Buildings	12,557,177	24,095,000	(4,912,787)	31,739,390
Plant and machinery	67,968,918	–	(35,413,921)	32,554,997
Office equipment, furniture and fittings	12,340,413	–	(10,845,468)	1,494,945
Road	208,087	–	(193,310)	14,777
Motor vehicles	5,042,738	–	(3,905,672)	1,137,066
Work-in-progress	9,829,426	–	–	9,829,426
Total	111,015,692	55,755,000	(55,271,158)	111,499,534

THE GROUP 2016	AT COST RM	AT VALUATIONS RM	ACCUMULATED DEPRECIATION RM	CARRYING AMOUNT RM
Freehold land	75,303	31,660,000	–	31,735,303
Buildings	808,012	24,095,000	(1,081,407)	23,821,605
Plant and machinery	51,159,196	–	(30,948,093)	20,211,103
Office equipment, furniture and fittings	12,265,839	–	(10,517,042)	1,748,797
Road	208,087	–	(188,850)	19,237
Motor vehicles	4,284,226	–	(3,574,505)	709,721
Work-in-progress	2,780,280	–	–	2,780,280
Total	71,580,943	55,755,000	(46,309,897)	81,026,046

In previous financial year, certain properties were revalued by an independent valuer using the comparison method and depreciated replacement cost method of valuation. The surpluses arising from the revaluations, net of deferred taxation, have been credited to other comprehensive income and accumulated in equity under the revaluation reserve as disclosed in Note 16 to the financial statements.

Had the revalued properties been carried at cost less accumulated depreciation, the carrying amount of the properties that would have been included in the financial statements are as follows:-

Carrying Amount	THE GROUP 2017 RM	THE GROUP 2016 RM
Freehold land	5,970,775	5,970,775
Buildings	11,568,174	12,937,781
	17,538,949	18,908,556

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The following assets were acquired under hire purchase terms:-

	THE GROUP	
Carrying Amount	**2017 RM**	**2016 RM**
Buildings	3,716,556	1,852,527
Motor vehicles	942,923	408,981
Plant and machinery	9,363,820	6,278,785
	14,023,299	8,540,293

The carrying amount of property, plant and equipment pledged to licensed banks for banking facilities extended to the Group as disclosure in Note 24 to the financial statements is as follows:-

	THE GROUP	
Carrying Amount	**2017 RM**	**2016 RM**
Freehold land	30,678,847	28,640,303
Buildings	21,130,823	22,122,435
Plant and machinery	1,881,554	2,099,878
Work-in-progress	9,829,426	2,780,280
	63,520,650	55,642,896

The details of the Group's property that carried at fair value are analysed as follows:-

Carrying Amount	**Level 1 RM**	**Level 2 RM**	**Level 3 RM**	**Total RM**
2017				
Freehold land	–	31,735,303	–	31,735,303
Buildings	–	23,461,698	–	23,461,698
	–	55,197,001	–	55,197,001
Carrying Amount				
2016				
Freehold land	–	31,735,303	–	31,735,303
Buildings	–	23,489,345	–	23,489,345
	–	55,224,648	–	55,224,648

The level 2 fair values have been determined based on the market comparison approach that reflects recent transaction prices for similar properties. The most significant input into this valuation approach is price per square foot of comparable properties. There has been no change to the valuation technique during the financial year.

There were no transfers between level 1 and level 2 during the financial year.

8. BIOLOGICAL ASSETS

	THE GROUP	
	2017 RM	2016 RM
At cost less amortisation:		
Layers	18,233,200	16,071,531
At cost:		
Oil palm trees	24,730	24,730
	18,257,930	16,096,261

None of the biological assets are stated at net realisable value.

The amount of biological assets recognised as an expense in cost of sales was RM18,326,995 (2016: RM15,593,547).

9. INVENTORIES

	THE GROUP	
	2017 RM	2016 RM
At cost:		
Eggs	535,639	335,861
Raw materials	1,967,728	–
Feed	882,347	601,554
Medicine	99,200	131,317
	3,484,914	1,068,732

None of the inventories are stated at net realisable value.

The amount of inventories recognised as an expense in cost of sales was RM24,834,396 (2016: RM16,754,157).

10. TRADE RECEIVABLES

The Group's normal trade credit terms range from 14 to 90 days (2016: 14 to 90 days).

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	THE GROUP		THE COMPANY	
	2017 RM	2016 RM	2017 RM	2016 RM
Other receivables	7,818	135,006	–	–
Deposits	45,007	413,307	–	–
Goods and services tax refundable	3,239,098	436,377	50	–
Prepayments	647,645	518,952	3,260	3,260
	3,939,568	1,503,642	3,310	3,260

12. AMOUNT OWING BY RELATED COMPANIES

	THE GROUP	
	2017 RM	2016 RM
Fellow subsidiaries		
Trade balances	12,511,507	74,634

The trade balance is subject to the normal trade credit term range from 30 to 120 days (2016: 30 days). The amount owing is to be settled in cash.

13. SHORT-TERM INVESTMENT

	THE GROUP			
	2017		2016	
	Carrying Amount RM	Market Value RM	Carrying Amount RM	Market Value RM
Fair value through profit or loss financial assets - Money market funds	551,328	551,328	5,028,346	5,028,346

The funds invest mainly into deposits and money market instruments and thus have minimum exposure to changes in market value.

The money market funds of the Group are carried at fair value. The fair value hierarchy for money market funds are classified as Level 1.

14. FIXED DEPOSITS WITH FINANCIAL INSTITUTIONS

Fixed deposits of the Group of RM460,000 (2016: RM550,000) are pledged to a licensed bank for banking facilities granted to the Group.

The weighted average effective interest rates of deposits at the end of the reporting period were as follows:-

	THE GROUP		THE COMPANY	
	2017 %	2016 %	2017 %	2016 %
Fixed deposits with licensed bank	3.60	3.36	–	3.35

The average maturities of fixed deposits with licensed bank of the Group and of the Company at the end of the reporting period are 365 days (2016: 365 days) and 30 days (2016: 30 days) respectively.

15. SHARE CAPITAL

	THE COMPANY			
	2017 NUMBER OF SHARES	2016	2017 RM	2016 RM
AUTHORISED:				
ORDINARY SHARES OF RM0.20 EACH:-	N/A	500,000,000	N/A	100,000,000

N/A – Not applicable pursuant to the Companies Act 2016 which came into operation on 31 January 2017.

ISSUED AND FULLY PAID-UP:				
ORDINARY SHARES WITH NO PAR VALUE (2016 - PAR VALUE OF RM0.20 EACH)				
AT 1 JANUARY	233,774,275	80,000,000	46,754,855	16,000,000
EXERCISE OF WARRANT	21,000	–	9,612	–
ISSUANCE OF NEW SHARES	–	153,774,275	–	30,754,855
AT 31 DECEMBER	233,795,275	233,774,275	46,764,467	46,754,855

On 31 January 2017, the concepts of authorised share capital and par value of share capital were abolished in accordance with the Companies Act 2016. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

(a) Share Premium

The Company has adopted the transitional provisions set out in Section 618(3) of the Companies Act 2016 ("Act") where the sum standing to the credit of the share premium may be utilised within twenty four months from the commencement date of 31 January 2017 in the manner as allowed for under the Act. Therefore, the Company has not consolidated the share premium into share capital until the expiry of the transitional period.

(b) Warrant Reserve

This represents the reserves arising from the issue of new ordinary shares with free detachable warrants with effect from 20 January 2016.

16. REVALUATION RESERVE

	THE GROUP 2017 RM	THE GROUP 2016 RM
Surplus on revaluation of - property, plant and equipment, net of tax	14,731,809	14,731,809

The revaluation reserve represents the increase in the fair value of freehold land and buildings of the Group (net of deferred tax, where applicable) presented under property, plant and equipment.

17. DEFERRED TAX LIABILITIES

	At 1.1.2017 RM	Recognised in Profit or Loss (Note 30) RM	At 31.12.2017 RM
The Group			
2017			
Deferred Tax Liabilities			
Property, plant and equipment	9,263,427	1,634,000	10,897,427
Deferred Tax Assets			
Hire purchase payable	(1,151,000)	(803,000)	(1,954,000)
Unutilised capital allowance	–	(943,000)	(943,000)
Unabsorbed tax losses	(1,113,000)	(1,032,000)	(2,145,000)
	(2,264,000)	(2,778,000)	(5,042,000)
	6,999,427	(1,144,000)	5,855,427

	At 1.1.2016 RM	Recognised in Profit or Loss (Note 30) RM	Recognised in Other Comprehensive Income RM	At 31.12.2016 RM
The Group				
2016				
Deferred Tax Liabilities				
Property, plant and equipment	4,593,363	(602,141)	5,272,205	9,263,427
Deferred Tax Assets				
Hire purchase payable	(1,476,000)	325,000	–	(1,151,000)
Unutilised capital allowance	(206,000)	206,000	–	–
Unabsorbed tax losses	(2,600,000)	1,487,000	–	(1,113,000)
	(4,282,000)	2,018,000	–	(2,264,000)
	311,363	1,415,859	5,272,205	6,999,427

18. LONG TERM BORROWINGS

	THE GROUP 2017 RM	THE GROUP 2016 RM
Term loans (Note 19)	19,280,518	8,064,381
Hire purchase payables (Note 20)	5,166,809	2,807,762
	24,447,327	10,872,143

19. TERM LOANS (SECURED)

	THE GROUP 2017 RM	THE GROUP 2016 RM
Current liabilities (Note 25)	6,621,274	4,523,828
Non-current liabilities (Note 18)	19,280,518	8,064,381
	25,901,792	12,588,209

a) The bank term loans are repayable over 84 to 180 (2016: 84 to 180) monthly installments from the date of drawdown and are secured in the same manner as the bank overdrafts as disclosed in Note 24 to the financial statements.

b) The interest rate profile of the term loans is summarised below:-

	Effective Interest Rate %	THE GROUP 2017 RM	THE GROUP 2016 RM
Floating rate term loans	7.84	25,901,792	12,588,209

20. HIRE PURCHASE PAYABLES (SECURED)

	THE GROUP 2017 RM	THE GROUP 2016 RM
Minimum hire purchase payments:-		
- not later than 1 year	4,244,136	2,657,311
- later than 1 year and not later than 5 years	5,638,536	2,928,510
	9,882,672	5,585,821
Less: Future finance charges	(953,428)	(389,441)
Present value of hire purchase payables	8,929,244	5,196,380
Analysed by:-		
Current liabilities (Note 25)	3,762,435	2,388,618
Non-current liabilities (Note 18):	5,166,809	2,807,762
	8,929,244	5,196,380

a) The hire purchase payables of the Group are secured by the Group's motor vehicles, plant and machinery under finance leases as disclosed in Note 7 to the financial statements. The hire purchase arrangements are expiring from 2 to 5 (2016: 2 to 5) years.

b) The hire purchase payables of the Group at the end of the reporting period bore effective interest rates ranging from 5.31% to 7.13% (2016: 5.31% to 7.13%). The interest rates are fixed at the inception of the hire purchase arrangements.

21. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 90 days (2016: 30 to 90 days).

22. OTHER PAYABLES AND ACCRUALS

	THE GROUP 2017 RM	THE GROUP 2016 RM	THE COMPANY 2017 RM	THE COMPANY 2016 RM
Other payables	992,189	9,487	1,675	1,675
Payables for property, plant and equipment	2,786,854	2,230,378	–	–
Payroll liabilities	566,315	502,390	–	–
Accrued expenses	210,000	348,500	155,000	193,500
	4,555,358	3,090,755	156,675	195,175

The normal credit terms granted to the Group for amount payable for purchase of property, plant and equipment range from 30 to 90 days (2016: 30 to 90 days).

23. AMOUNT OWING TO RELATED COMPANIES

	THE GROUP		THE COMPANY	
	2017 RM	2016 RM	2017 RM	2016 RM
Immediate holding company				
Trade balances	1,439,936	3,966,495	–	–
Non-trade balances	41,003	5,781	–	–
Subsidiary				
Non-trade balances	–	–	134,434	134,434
Fellow subsidiaries				
Trade balances	5,451,928	8,096,440	–	–
Non-trade balances	120,403	296	–	–
	7,053,270	12,069,012	134,434	134,434

(a) The trade balance is subject to the normal credit terms within 90 days (2016: 90 days). The amount owing is to be settled in cash.

(b) The non-trade balances represent unsecured payments made on behalf. The amounts owing are repayable on demand and are to be settled in cash.

24. BANK OVERDRAFTS

Bank overdrafts bear interest at 8.02% (2016: Nil) per annum and are secured as follows:-

(i) by fixed charge over certain freehold land and building of the Group as disclosed in Note 7 to the financial statements;

(ii) by fixed charge over certain assets of the Group;

(iii) by lien over the Group's fixed deposits with licensed banks; and

(iv) by corporate guarantee by immediate holding company.

25. SHORT TERM BORROWINGS

	THE GROUP	
	2017 RM	2016 RM
Bankers' acceptances	10,049,000	5,501,000
Term loans (Note 19)	6,621,274	4,523,828
Hire purchase payables (Note 20)	3,762,435	2,388,618
	20,432,709	12,413,446

25. SHORT TERM BORROWINGS (CONT'D)

The weighted average effective interest rates at the reporting period for borrowings, excluding hire purchase payables were as follows:-

	THE GROUP 2017 %	THE GROUP 2016 %
Term loans	7.84	7.90
Bankers' acceptances	5.52	5.90

The bankers' acceptances are secured in the same manner as the bank overdrafts as disclosed in Note 24 to the financial statements.

26. REVENUE

	THE GROUP 2017 RM	THE GROUP 2016 RM
Sales of poultry farming products	113,501,470	93,399,013
Sales of by-products from poultry farming	440,319	624,884
Sales of fresh fruit bunch	485,736	418,082
	114,427,525	94,441,979

27. (LOSS)/PROFIT BEFORE TAXATION

	THE GROUP		THE COMPANY	
	2017 RM	2016 RM	2017 RM	2016 RM
(Loss)/Profit before taxation is arrived at after charging:-				
Auditors' remuneration:				
- audit fees	90,000	90,000	35,000	35,000
- non-audit fees	–	60,500	–	60,500
Depreciation of property, plant and equipment (Note 7)	8,961,261	7,036,361	–	–
Interest expense on financial liabilities not at fair value through profit and loss	2,669,835	2,655,912	–	–
Realised loss on foreign exchange	–	783	–	–
Rental of land	820	820	–	–
Rental of premises	139,200	138,546	–	–
And crediting:-				
Dividend income	(51,328)	–	–	–
Interest income	(63,830)	(465,128)	(51,035)	(382,304)

28. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Group and of the Company.

The key management personnel compensation during the financial year are as follows:-

	THE GROUP		THE COMPANY	
	2017 RM	2016 RM	2017 RM	2016 RM
Directors of the Company				
Short-term employee benefits:				
- fees	120,000	96,000	120,000	96,000
- salaries, allowances and bonus	362,486	1,077,225	–	–
	482,486	1,173,225	120,000	96,000
Defined contribution retirement plan	43,200	129,000	–	–
	525,686	1,302,225	120,000	96,000

29. STAFF COSTS

	THE GROUP	
	2017 RM	2016 RM
Wages, salaries and bonus	7,505,535	6,031,455
Defined contribution retirement plan	343,759	287,545
Other employee benefits	145,754	87,627
	7,995,048	6,406,627

Staff costs included amounts of RM298,038 (2016: RM267,084) in respect of remuneration paid to employees related to Directors of the Group.

30. TAXATION

	THE GROUP		THE COMPANY	
	2017 RM	2016 RM	2017 RM	2016 RM
Malaysian Income Tax:-				
- Current year	72,108	114,040	–	10,000
- Under provision in prior year	45,670	7,831	49,342	5,140
	117,778	121,871	49,342	15,140
Deferred tax expenses (Note 17)				
- Relating to origination and reversal of temporary differences	(104,000)	1,332,859	–	–
- (Over)/Under provision in prior year	(1,040,000)	83,000	–	–
	(1,144,000)	1,415,859	–	–
Total tax (credit)/charge	(1,026,222)	1,537,730	49,342	15,140

Subject to agreement with the tax authorities, at the end of reporting period, the unutilised capital allowances, unutilised reinvestment allowances and unabsorbed tax losses of the Group are as follows:-

	THE GROUP	
	2017 RM	2016 RM
Unutilised capital allowances	3,715,900	–
Unutilised agriculture allowances	212,700	–
Unutilised reinvestment allowances	5,489,300	9,916,000
Unabsorbed tax losses	8,937,000	4,637,000
	18,354,900	14,553,000

No deferred tax asset is recognised in the Group in respect of the following items:-

	THE GROUP	
	2017 RM	2016 RM
Unutilised reinvestment allowances	5,489,300	9,916,000

30. TAXATION (CONT'D)

A reconciliation of income tax expense applicable to the (loss)/profit before tax at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	THE GROUP		THE COMPANY	
	2017 RM	2016 RM	2017 RM	2016 RM
(Loss)/Profit before taxation	(1,256,320)	5,424,657	(283,122)	(107,603)
Tax at the statutory tax rate of 24% (2016: 24%)	(301,517)	1,301,918	(67,949)	(25,825)
Tax effect of :-				
Non-deductible expenses	243,578	144,981	41,902	35,825
Deferred tax assets not recognised in current year	26,047	–	26,047	–
Under provision of Malaysian Income Tax in prior year	45,670	7,831	49,342	5,140
(Over)/Under provision of deferred taxation in prior year	(1,040,000)	83,000	–	–
	(1,026,222)	1,537,730	49,342	15,140

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2016: 24%) of the estimated assessable profit for the financial year.

On 21 October 2016, the Government of Malaysia announced the reduction of income tax rate from 24% to a range of 20% to 24% based on the percentage of increase in chargeable income as compared to the immediate preceding year of assessment for years of assessment 2017 and 2018.

31. (LOSS)/EARNINGS PER SHARE

The basic earnings per share of the Group is calculated by dividing the net profit for the financial year by the weighted average number of ordinary shares in issue during the financial year.

	2017	2016
(Loss)/Profit after taxation (RM)	(230,098)	3,886,927
Weighted average number of ordinary shares in issue:-		
Ordinary shares at 1 January	233,774,275	80,000,000
Effect of right issue	–	113,114,754
Effect of new ordinary shares issued	18,526	30,636,774
Weighted average number of ordinary shares at 31 December	233,792,801	223,751,528
Basic (loss)/earnings per share (sen)	(0.10)	1.74

31. (LOSS)/EARNINGS PER SHARE (CONT'D)

	2017	2016
Profit after taxation (RM)	–	3,886,927
Weighted average number of ordinary shares for basic earnings per share	–	223,751,528
Shares deemed to be issued for no consideration: - warrants	–	16,366,875
Weighted average number of ordinary shares for diluted earnings per share computation	–	240,118,403
Diluted earnings per share (sen)	–	1.62

For the current financial year, the diluted loss per share is equal to the basic earnings per share as there is anti-dilutive effect arising from the assumed exercise of warrants.

32. CASH FLOW INFORMATION

(a) The cash disbursed for the purchase of property and equipment is as follows:-

	THE GROUP	
	2017 RM	2016 RM
Cash payments	29,726,840	4,611,254
Amount financed through hire purchase (Note (b) below)	6,921,055	1,024,385
Under payables for purchase of property, plant and equipment	2,786,854	2,230,378
	39,434,749	7,866,017

32. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows:-

The Group	Term Loans RM	Hire Purchase RM	Banker Acceptance RM	Bank Overdrafts RM	Vendor Financing RM	Total RM
2017						
At 1 January	12,588,209	5,196,380	5,501,000	–	–	23,285,589
Changes in Financing Cash Flows						
Proceeds from drawdown	19,930,000	–	4,548,000	1,725,418	–	26,203,418
Repayment of borrowing principal	(6,616,417)	(3,188,191)	–	–	–	(9,804,608)
Repayment of borrowing interests	(1,469,261)	(512,749)	(334,489)	(37,735)	(315,601)	(2,669,835)
Non-cash Changes						
New hire purchase (Note (a) above)	–	6,921,055	–	–	–	6,921,055
Finance charges recognised in profit or loss	1,469,261	512,749	334,489	37,735	315,601	2,669,835
At 31 December	25,901,792	8,929,244	10,049,000	1,725,418	–	46,605,454

Comparative information is not presented by virtue of the exemption given in MFRS 107.

32. CASH FLOW INFORMATION (CONT'D)

(c) The cash and cash equivalents comprise the following:-

	THE GROUP		THE COMPANY	
	2017 RM	2016 RM (Restated)	2017 RM	2016 RM
Fixed deposits with financial institutions	460,000	6,696,140	–	6,146,140
Cash and bank balances	4,809,900	4,380,214	61,693	359,034
Short term investment	551,328	5,028,346	–	–
Bank overdrafts	(1,725,418)	–	–	–
	4,095,810	16,104,700	61,693	6,505,174
Less: Fixed deposits pledged (Note 14)	(460,000)	(550,000)	–	–
	3,635,810	15,554,700	61,693	6,505,174

33. RELATED PARTY DISCLOSURES

(a) Identities of Related Parties

Parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control.

In addition to the information detailed elsewhere in financial statements, the Company has related party relationships with its director, immediate holding company, key management personnel and entities within the same group of companies.

(b) Significant Related Party Transactions and Balances

Other than those disclosed elsewhere in the financial statements, the Group also carried out the following significant transactions with related parties during the year:-

	THE GROUP	
	2017 RM	2016 RM
Immediate holding company		
Sales of goods	(5,351,522)	(1,838,550)
Purchase of goods	29,176,903	33,649,239
Fellow subsidiaries		
Sales of goods	(15,088,151)	(2,420,212)
Purchase of goods	16,478,353	31,818,310

The significant outstanding balances of the related parties (including the allowance for impairment loss made) together with their terms and conditions are disclosed in the respective notes to the financial statements.

34. CONTINGENT LIABILITIES - UNSECURED

No provisions are recognised as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement. The Company has granted guarantees to licensed banks amounting to approximately RM82,219,000 (2016: RM41,739,000) for banking facilities extended to subsidiaries of which RM38,228,943 (2016: RM18,089,209) was outstanding as at 31 December 2017.

35. CURRENCY

All amounts are stated in Ringgit Malaysia.

36. OPERATING SEGMENTS

Segment information is presented based on the Group's management and internal reporting structure.

The Group is organised into three main reportable segments as follows:-

(i) Poultry farming
(ii) Poultry feed
(iii) Others

(a) The Group's management assesses the performance of the reportable segments based on their profit before interest expense and taxation. The accounting policies of the reportable segments are the same as the Group's accounting policies.

(b) Each reportable segment assets is measured based on all assets (including goodwill) of the segment other than tax-related assets.

(c) Transactions between reportable segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation.

(d) Each reportable segment liabilities is measured based on all liabilities of the segment other than borrowings and tax-related liabilities.

Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the reportable segments are presented under unallocated items. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters) and head office expenses.

36. OPERATING SEGMENTS (CONT'D)

(a) Business Segments

2017	Poultry Farming RM	Poultry Feed RM	Others RM	Eliminations RM	Group RM
Revenue					
External revenue	100,418,355	13,523,434	485,736	–	114,427,525
Inter-segment revenue	–	35,887,755	–	(35,887,755)	–
	100,418,355	49,411,189	485,736	(35,887,755)	114,427,525
Results					
Segment profit	906,513	382,181	190,239	–	1,478,933
Finance costs					(2,669,835)
Unallocated expenses					(65,418)
Consolidated loss before taxation					(1,256,320)
Segment profit includes the followings:-					
Interest income	(63,830)	–	–	–	(63,830)
Interest expenses	2,096,339	573,496	–	–	2,669,835
Depreciation	8,080,242	878,352	2,667	–	8,961,261
Assets					
Segment assets	122,958,154	30,072,344	11,457,266	(1,316,491)	163,171,273
Consolidated total assets					163,171,273
Additions to non-current assets other than financial instruments are:-					
Property, plant and equipment	21,947,422	17,487,327	–	–	39,434,749
Liabilities					
Segment liabilities	27,035,568	23,298,950	521,993	(1,316,491)	49,540,020
Unallocated liabilities:					
- deferred tax liabilities					5,855,427
- hire purchase payables					8,929,244
- term loans					25,901,792
- current tax liabilities					44,058
Consolidated total liabilities					90,270,541

36. OPERATING SEGMENTS (CONT'D)

(a) Business Segments (Cont'd)

2016	Poultry Farming RM	Others RM	Eliminations RM	Group RM
Revenue				
External revenue	94,023,897	418,082	–	94,441,979
Results				
Segment profit before interest and taxation	7,878,291	236,396	–	8,114,687
Finance costs				(2,655,912)
Unallocated expenses				(34,118)
Consolidated profit before taxation				5,424,657
Segment profit before interest and taxation includes the followings:–				
Interest income	(465,128)	–	–	(465,128)
Interest expenses	2,655,912	–	–	2,655,912
Depreciation	7,036,361	–	–	7,036,361
Assets				
Segment assets	110,748,826	11,594,309	(1,528,622)	120,814,513
Consolidated total assets				120,814,513
Additions to non-current assets other than financial instruments are:-				
Property, plant and equipment	7,866,017	–	–	7,866,017
Liabilities				
Segment liabilities	23,556,871	790,853	(1,528,622)	22,819,102
Unallocated liabilities:				
- deferred tax liabilities				6,999,427
- hire purchase payables				5,196,380
- term loans				12,588,209
- current tax liabilities				84,765
Consolidated total liabilities				47,687,883

(b) Geographical Information

The operates predominantly in one business segment generated from Malaysia and accordingly information by geographical location of the Group is not presented.

(c) Major Customers

The following are major customers with revenue equal to or more than 10% of Group's revenue:-

	Revenue		Segment
	2017 RM	2016 RM	
Customer A	10,577,873	12,157,200	Poultry farming
Customer B	–	9,116,912	Poultry farming
Customer C	13,261,372	–	Poultry feed

37. CAPITAL COMMITMENTS

	THE GROUP 2017 RM	2016 RM
Purchase of property, plant and equipment	8,781,411	21,212,024

38. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risks (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Financial Risk Management Policies

The Group's policies in respect of the major areas of treasury activity are as follows:-

(i) Market Risk

(i) Foreign Currency Risk

The Group does not have any transaction or balances denominated in foreign currencies and hence is not exposed to foreign currency risk.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group's policy is to obtain the most favourable interest rates available and by maintaining a balanced portfolio of mix of fixed and floating rate borrowings.

The Group's exposure to interest rate risk that based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Notes 19 and 24 to the financial statements.

Interest Rate Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates at the end of the reporting period, with all other variables held constant:-

	THE GROUP 2017 RM	2016 RM
Effects on (loss)/profit after taxation		
Increase of 25 basis points (2016: 25 basis points)	+57,462	-55,481
Decrease of 25 basis points (2016: 25 basis points)	-57,462	+55,481

(iii) Equity Price Risk

The Group does not have any quoted investments and hence is not exposed to equity price risks.

38. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(ii) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group uses ageing analysis to monitor the credit quality of the trade receivables. Any receivables having significant balances past due or more than 90 days, which are deemed to have higher credit risk, are monitored individually.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified (where applicable). Impairment is estimated by management based on prior experience and the current economic environment.

The Company provides corporate guarantee to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the results of these subsidiaries regularly and repayments made by the subsidiaries.

Credit Risk Concentration Profile

The Group's major concentration of credit risk relates to the amounts owing by two (2016: one) customers which constituted approximately 61% (2016: 20%) of its trade receivables (including related companies) at the end of the reporting period.

Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group after deducting any allowance for impairment losses (where applicable).

38. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(ii) Credit Risk (Cont'd)

Ageing Analysis

The ageing analysis of the Group's trade receivables at (including amount owing by related companies) the end of the reporting period is as follows:-

THE GROUP	GROSS AMOUNT RM	INDIVIDUAL IMPAIRMENT RM	CARRYING VALUE RM
2017			
Not past due	10,045,173	–	10,045,173
Past due:-			
- less than 3 months	9,910,579	–	9,910,579
- over 6 months	212,347	–	212,347
	20,168,099	–	20,168,099

THE GROUP	GROSS AMOUNT RM	INDIVIDUAL IMPAIRMENT RM	CARRYING VALUE RM
2016			
Not past due	4,713,532	–	4,713,532
Past due:-			
- less than 3 months	225,298	–	225,298
- over 6 months	72,643	–	72,643
	5,011,473	–	5,011,473

The Group believes that no impairment allowance is necessary in respect of these trade receivables that are past due but not impaired because they are companies with good collection track record and no recent history of default.

(iii) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

38. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(iii) Liquidity Risk (Cont'd)

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

THE GROUP	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE %	CARRYING AMOUNT RM	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM	WITHIN 1 YEAR RM	1 – 5 YEARS RM	OVER 5 YEARS RM
2017						
Hire purchase payables	5.31–7.13	8,929,244	9,882,672	4,244,136	5,638,536	–
Term loans	7.84	25,901,792	45,685,968	12,054,551	33,621,387	10,030
Bankers' acceptances	5.52	10,049,000	10,049,000	10,049,000	–	–
Trade payables	–	26,156,974	26,156,974	26,156,974	–	–
Other payables and accruals	–	4,555,358	4,555,358	4,555,358	–	–
Amounts owing to related companies	–	7,053,270	7,053,270	7,053,270	–	–
Bank overdraft	8.02	1,725,418	1,725,418	1,725,418	–	–
		84,371,056	105,108,660	65,838,707	39,259,923	10,030
2016						
Hire purchase payables	5.31 – 7.13	5,196,380	5,585,821	2,657,311	2,928,510	–
Term loans	7.90	12,588,209	16,770,895	7,513,762	9,186,923	70,210
Bankers' acceptances	5.90	5,501,000	5,501,000	5,501,000	–	–
Trade payables	–	2,158,335	2,158,335	2,158,335	–	–
Other payables and accruals	–	3,090,755	3,090,755	3,090,755	–	–
Amount owing to related companies	–	12,069,012	12,069,012	12,069,012	–	–
		40,603,691	45,175,818	32,990,175	12,115,433	70,210

38. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(iii) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (cont'd):-

THE COMPANY	CARRYING AMOUNT RM	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM	WITHIN 1 YEAR RM
2017			
Accruals	156,675	156,675	156,675
Amount owing to related companies	134,434	134,434	134,434
	291,109	291,109	291,109

THE COMPANY	CARRYING AMOUNT RM	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM	WITHIN 1 YEAR RM
2016			
Accruals	195,175	195,175	195,175
Amount owing to related companies	134,434	134,434	134,434
	329,609	329,609	329,609

38. FINANCIAL INSTRUMENTS (CONT'D)

(b) Capital Risk Management

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholder(s) value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group includes within net debts, loans and borrowings from financial institutions less cash and cash equivalents. Capital includes equity attributable to the owners of the parent. The debt-to-equity ratio at the end of the reporting period was as follows:-

	2017 RM	2016 RM
Hire purchase payables (Note 20)	8,929,244	5,196,380
Term loans (Note 19)	25,901,792	12,588,209
Bankers' acceptances (Note 25)	10,049,000	5,501,000
Bank overdrafts (Note 24)	1,725,418	–
	46,605,454	23,285,589
Less: Fixed deposits with financial institutions (Note 14)	(460,000)	(6,696,140)
Short term investment (Note 13)	(551,328)	(5,028,346)
Cash and bank balances	(4,809,900)	(4,380,214)
Net debt	40,784,226	7,180,889
Total equity	72,900,732	73,126,630
Debt-to-equity ratio	0.56	0.10

There is no change in the Group's approach to capital management during the financial year.

38. FINANCIAL INSTRUMENTS (CONT'D)

(c) Classification Of Financial Instruments

	THE GROUP		THE COMPANY	
	2017 RM	2016 RM	2017 RM	2016 RM
Financial Assets				
Fair Value through Profit or Loss				
Short term investment (Note 13)	551,328	5,028,346	–	–
Loans and Receivables Financial Assets				
Trade receivables (Note 10)	7,656,592	4,940,498	–	–
Other receivables and deposits (Note 11)	52,825	548,313	–	–
Amount owing by related companies (Note 12)	12,511,507	74,634	–	–
Fixed deposits with licensed banks (Note 14)	460,000	6,696,140	–	6,146,140
Cash and bank balances	4,809,900	4,380,214	61,693	359,034
	25,490,824	16,639,799	61,693	6,505,174
Financial Liabilities				
Other Financial Liabilities				
Hire purchase payables (Note 20)	8,929,244	5,196,380	–	–
Term loans (Note 19)	25,901,792	12,588,209	–	–
Bankers' acceptance (Note 25)	10,049,000	5,501,000	–	–
Trade payables (Note 21)	26,156,974	2,158,335	–	–
Other payables and accruals (Note 22)	4,555,358	3,090,755	156,675	195,175
Amount owing to related companies (Note 23)	7,053,270	12,069,012	134,434	134,434
Bank overdrafts (Note 24)	1,725,418	–	–	–
	84,371,056	40,603,691	291,109	329,609

38. FINANCIAL INSTRUMENTS (CONT'D)

(d) Fair Values Information

At the end of the reporting period, there were no financial instruments carried at fair values in the statements of financial position.

The fair values of the financial assets and financial liabilities maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

39. COMPARATIVE FIGURES

The following figures have been reclassified to conform with the presentation of the current financial year:-

	As Previously Reported RM	As Restated RM
Consolidated Statement of Financial Position (Extract):-		
Short-term investment	–	5,028,346
Fixed Deposit with financial statements	–	6,696,140
Deposit with financial institutions	11,724,486	–

LIST OF PROPERTIES
AS AT 31 DECEMBER 2017

The top 10 properties of the Group in terms of highest net book value as at 31 December 2017 are as follows:-

	Registered/ Beneficial owner and Location	Existing Use/ Decsription	Land Area and Tenure	Revaluation Date	Approximate age of buildings (years)	Net book value (RM)
1	TECK PING CHAN AGRICULTURE SDN BHD Lot No. 3047 (Formerly Lot 659) Lot No. 3015 (Formerly Lot 660) Mukim of Melekek District of Alor Gajah, Melaka	Agriculture land use as poultry farm	27.481 hectares Freehold	31.08.2016	2 to 31	37,214,758.84
2	TECK PING CHAN AGRICULTURE SDN BHD Lot No. 96 & 97, Mukim of Melekek District of Alor Gajah, Melaka	Agriculture land use as poultry farm	5.6959 hectares Freehold	31.08.2016	3 to 28	
3	TECK PING CHAN AGRICULTURE SDN BHD Lot No. 125, 126 and 127 Mukim of Sungei Buloh District of Alor Gajah, Melaka	Agriculture land use as poultry farm	11.2171 hectares Freehold	31.08.2016	3 to 28	
4	MESTIKA ARIF SDN BHD Lot No. 2141 - 2149 (Formerly PT 303 - 311) Mukim of Taboh Naning District of Alor Gajah, Melaka	Agriculture land with oil palm trees	34.774 hectares Freehold	31.08.2016	NA	11,170,000.00
5	TECK PING CHAN AGRICULTURE SDN BHD Geran No. Hakmilik 61725, Lot 1409 Mukim Titian Bintagor, Daerah Rembau Negeri Sembilan	Agriculture land use as layer poultry farm	3.8698 hectares Freehold	NA	1	5,680,969.75
6	TECK PING CHAN AGRICULTURE SDN BHD Lot No. 1158 & 1159, Mukim of Melekek District of Alor Gajah, Melaka	Agriculture land use as layer poultry farm	8.114 hectares Freehold	31.08.2016	10	5,241,782.40
7	TECK PING CHAN AGRICULTURE SDN BHD Lot No. 1512 - 1513, Mukim of Pegoh District of Alor Gajah, Melaka	Agriculture land with oil palm trees	4.695 hectares Freehold	31.08.2016	NA	1,570,000.00

LIST OF PROPERTIES
AS AT 31 DECEMBER 2017 (CONT'D)

	Registered/ Beneficial owner and Location	Existing Use/ Decsription	Land Area and Tenure	Revaluation Date	Approximate age of buildings (years)	Net book value (RM)
8	TECK PING CHAN AGRICULTURE SDN BHD Lot 123, Mukim of Sungei Buloh, District of Alor Gajah, Melaka	Agriculture land	2.0967 hactares Freehold	31.08.2016	4	1,414,210.53
9	TECK PING CHAN AGRICULTURE SDN BHD Lot No. PT 290, Mukim of Taboh Naning District of Alor Gajah, Melaka	Agriculture land use as poultry farm	10 acres Freehold	31.08.2016	NA	1,295,000.00
10	TECK PING CHAN AGRICULTURE SDN BHD PT 8039, HS(D) 188299 Bandar Seremban, District of Seremban, Negeri Sembilan	3 storey shop office	143 square metres Freehold	31.08.2016	13	880,000.00

ANALYSIS OF SHAREHOLDINGS
AS AT 31 MARCH 2018

Total number of issued shares	:	233,795,275
Class of shares	:	Ordinary shares
Voting rights	:	On a poll, each shareholder who is present in person or proxy shall have one vote for each ordinary share held.
Number of shareholders	:	1,593

SUBSTANTIAL SHAREHOLDERS

Name	No. of Shares	Direct %	No. of Shares	Indirect %
1. Huat Lai Resources Berhad	139,592,677	59.71	–	–
2. Esprit Unity Sdn Bhd	–	–	139,592,677	59.71 *
3. Lim Yeow Her	–	–	139,592,677	59.71 **
4. Lim Yeow Kian	125,000	0.05	139,592,677	59.71 **
5. Datuk Wira Lim Yeow Siong	–	–	139,592,677	59.71 **

Note :

* Deemed interested by virtue of its direct interests in Huat Lai Resources Berhad.

** Deemed interested by virtue of his direct interests in Huat Lai Resources Berhad and indirect interest in Huat Lai Resources Berhad through Esprit Unity Sdn Bhd.

ANALYSIS BY SIZE OF HOLDINGS

Size of Holdings	No. of Holders	%	No. of Shares	%
Less than 100	24	1.51	747	0.00
100 – 1,000	422	26.49	394,550	0.17
1,001 – 10,000	508	31.89	2,759,101	1.18
10,001 – 100,000	501	31.45	19,494,950	8.34
100,001 to less than 5% of the issued shares	136	8.54	71,553,250	30.61
5% and above of the issued shares	2	0.13	139,592,677	59.71
TOTAL	1,593	100.00	233,795,275	100.00

ANALYSIS OF SHAREHOLDINGS AS AT 31 MARCH 2018 (CONT'D)

THIRTY LARGEST SHAREHOLDERS

(Without aggregating the securities from different securities accounts belonging to the same Depositor)

	Name	No. of Shares	%
1.	Huat Lai Resources Berhad	105,818,402	45.26
2.	Huat Lai Resources Berhad	33,774,275	14.45
3.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Yap Kee Hor (E-TJJ)	9,986,250	4.27
4.	Yap Yi Xuan	9,950,000	4.26
5.	Siah Tian Yee	9,031,900	3.86
6.	Chong Mei	1,810,000	0.77
7.	Yap Kee Hor	1,500,000	0.64
8.	Yuen Ching Eng	1,450,000	0.62
9.	Liew Yew Seng	938,000	0.40
10.	Eng Soon Cheik	937,400	0.40
11.	Cimsec Nominees (Tempatan) SdnBhd Pledged Securities Account For Lee Cheong Keat @ Lee Chong Keat (Penang-CL)	873,000	0.37
12.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Kean Leong Poultry Trading Sdn Bhd (E-BMM)	870,000	0.37
13.	Lim Lai Chuan	866,700	0.37
14.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Siah Tian Yee (E-TJJ)	843,900	0.36
15.	Ong Tian Leong	794,500	0.34
16.	Cimsec Nominees (Tempatan) Sdn Bhd Beneficiary: CIMB Bank for Chong Boon Weng (MY0970)	690,100	0.30
17.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Ng Tjun Mun (E-BPJ)	637,500	0.27
18.	Lim Kok Lih	596,500	0.26
19.	Tan Hui Lun	565,700	0.24
20.	Boon Seu Mui	550,000	0.24
21.	Chua Kau @ Chua Kim Yan	550,000	0.24
22.	Chua Kau @ Chua Kim Yan	550,000	0.24
23.	Lee Koon Shing	546,300	0.23
24.	Goh Kim Kooi	527,500	0.23
25.	Gan Seng Chong	525,000	0.22
26.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Chia Hong @ Gan Chia Hong (E-TMR)	525,000	0.22
27.	Goh Lee Foong	507,000	0.22
28.	How Kim Soon	500,000	0.21
29.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Teo Kooi Cheng (E-BPJ)	500,000	0.21
30.	Yap Onn Loong	500,000	0.21

ANALYSIS OF WARRANT HOLDINGS
AS AT 31 MARCH 2018

No. of warrants issued	:	80,000,000
No. of warrants exercised	:	21,000
No. of warrants unexercised	:	79,979,000
Expiry date of the warrants	:	19 January 2021
Voting rights	:	Each warrant holder present in person or proxy at any meeting of warrant holders shall be entitled on a show of hands to one vote; and on a poll each warrant holder who is present in person or proxy shall have one vote for each warrant held.
No. of warrant holders	:	573

ANALYSIS BY SIZE OF WARRANT HOLDINGS

Size of Holdings	No. of Holders	%	No. of Warrants	%
Less than 100	61	10.65	2,725	0.00
100 – 1,000	38	6.63	32,203	0.04
1,001 – 10,000	192	33.51	954,578	1.19
10,001 – 100,000	202	35.25	8,093,566	10.12
100,001 to less than 5% of issued warrants	79	13.79	28,568,567	35.72
5% and above of issued warrants	1	0.17	42,327,361	52.92
TOTAL	573	100.00	79,979,000	100.00

ANALYSIS OF WARRANT HOLDINGS AS AT 31 MARCH 2018 (CONT'D)

THIRTY LARGEST WARRANT HOLDERS

(Without aggregating the securities from different securities accounts belonging to the same Depositor)

	Name	No. of Warrants	%
1.	Huat Lai Resources Berhad	42,327,361	52.92
2.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Yap Kee Hor (E-TJJ)	3,612,700	4.52
3.	Kenanga Nominees (Tempatan) Sdn Bhd Beneficiary : Chong Mei	1,385,500	1.73
4.	Tan Liew Cheun	1,361,000	1.70
5.	Eng Soon Cheik	1,358,800	1.70
6.	Yuen Ching Eng	1,270,000	1.59
7.	Chong Mei	988,300	1.24
8.	Cimsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lee Cheong Keat @ Lee Chong Keat (Penang-CL)	890,800	1.11
9.	Tan Hui Lun	780,800	0.98
10.	Jaikishin A/L Shewandas	651,900	0.82
11.	Lee Koon Shing	604,500	0.76
12.	Wong Nyong How	600,700	0.75
13.	Lew Brothers Poultry Farm Sdn Bhd	594,067	0.74
14.	Maybank Securities Nominees (Asing) Sdn Bhd Pledged Securities Account For Chen, Hsin-Mei (Margin)	480,000	0.60
15.	Ong Tian Leong	463,000	0.58
16.	Liew Yew Seng	453,700	0.57
17.	Mr. Serm Juthamongkhon	444,100	0.56
18.	Goh Lee Foong	439,000	0.55
19.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Ng Tjun Mun (E-BPJ)	425,800	0.53
20.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Wee Hwang	400,000	0.50
21.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Chia Siew Fung	396,000	0.50
22.	Teey Tong Hoon	390,667	0.49
23.	Tan Meng Chow	358,200	0.45
24.	Khoo Eng Seng	300,033	0.38
25.	Tan Eng Kiong	300,000	0.38
26.	Tan Meng Hwee	295,700	0.37
27.	Wee Kwee Jake	279,500	0.35
28.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Siew Bin (E-TSA/KTI)	275,000	0.34
29.	Lim Geok Chin	268,000	0.34
30.	Choo Yi-Jing	250,000	0.31

DIRECTORS' INTERESTS IN THE COMPANY AND RELATED CORPORATION
AS AT 31 MARCH 2018

None of the Directors of the Company hold any shares and/or warrants in the Company and/or its related corporation as at 31 March 2018.

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TPC PLUS BERHAD
(615330-T)

FORM OF PROXY

No. of shares held [ ]

*I/We, ______________________________ of ______________________________

being a member of TPC Plus Berhad hereby appoint ______________________________ of

______________________________ or failing him/her ______________________________

of ______________________________ or failing him/her *the Chairman of the Meeting

as *my/our proxy to attend and vote on *my/our behalf at the 15th Annual General Meeting of the Company to be held at the **Conference Room, PT 1678, Mukim of Serkam, 77300 Merlimau, Melaka** on **Thursday, 31 May 2018** at **10:00 a.m.** and at any adjournment thereof.

(Please indicate with an 'X' in the space provided below how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion)

		For	Against
Resolution 1	Approve the payment of Directors' fees		
Resolution 2	Approve the payment of Directors' benefits (other than Directors' fees)		
Resolution 3	Re-elect Mr Lim Yew Chua as Director		
Resolution 4	Re-elect Mr Chong Chee Siong as Director		
Resolution 5	Re-appoint Messrs Crowe Horwath as Auditors		
Resolution 6	Authority to Directors to allot and issue shares		
Resolution 7	Mandate for recurrent related party transactions		

Dated this __________ day of ______________ 2018

____
Signature(s) of shareholder(s) or
Common Seal of corporate shareholder(s)

Notes:

(i). Only depositors whose names appear in the Record of Depositors as at 23 May 2018 shall be entitled to attend, speak and vote at the meeting or appoint another person as his/her proxy to attend and vote in his/her stead.

(ii) Where a member appoints more than one proxy, such appointment shall be invalid unless he specify the proportion of his shareholdings to be represented by each proxy.

(iii) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

(iv) The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or, if the appointer is a corporation, the instrument appointing a representative must be either under its common seal or under the hand of an officer or attorney duly authorised.

(v) The duly completed proxy form must be deposited at the Company's registered office at PT 1678, Mukim of Serkam, 77300 Merlimau, Melaka not less than 48 hours before the time fixed for holding the meeting or any adjournment thereof.

(vi) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to vote by way of poll.

** Strike out whichever is not desired*

Fold this flap for sealing

Then fold here

AFFIX
STAMP

The Company Secretary

TPC Plus Berhad (615330-T)
PT 1678, Mukim of Serkam
77300 Merlimau, Melaka

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TPC PLUS BERHAD (615330-T)

PT 1678, Mukim of Serkam, 77300 Merlimau, Melaka, Malaysia.
Office Number: **+606 2686 315** General Fax Number: **+606 2686 327**

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