English Translation of a Report Originally Issued in Chinese

Kee Song Bio-Technology Holdings Limited and Subsidiaries

Consolidated Financial Statements for the Three Months Ended 31 March 2016 and 2015 and Independent Auditors' Review Report

KEE SONG BIO-TECHNOLOGY HOLDINGS LIMITED AND SUBSIDIARIES

REPORT AND FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2016 AND 2015

KEE SONG BIO-TECHNOLOGY HOLDINGS LIMITED AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	31 March 2016 (Reviewed)		31 December 2015 (Audited)		31 March 2015 (Reviewed)	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash and cash equivalents (Notes 4 and 6)	$ 525,836	32	$ 506,214	32	$ 395,819	41
Trade receivables (Notes 4, 7 and 23)	214,813	13	196,562	13	131,610	14
Other receivables (Note 23)	21,600	1	22,255	1	28,244	3
Current tax assets (Notes 4 and 5)	-	-	98	-	108	-
Inventories (Notes 4 and 8)	49,811	3	36,318	2	22,445	2
Biological assets - current (Notes 4 and 9)	123,205	8	126,650	8	23,297	2
Prepayments (Note 10)	23,580	1	25,630	2	4,385	1
Other financial assets - current (Note 24)	49,105	3	46,751	3	47,967	5
Total current assets	1,007,950	61	960,478	61	653,875	68
NON-CURRENT ASSETS						
Property, plant and equipment (Notes 4, 12 and 24)	637,942	38	597,737	39	305,249	32
Prepayment for equipment	9,682	1	3,825	-	5,442	-
Total non-current assets	647,624	39	601,562	39	310,691	32
TOTAL	$ 1,655,574	100	$ 1,562,040	100	$ 964,566	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 13 and 24)	$ 40,032	2	$ 33,137	2	$ 52,854	5
Financial liabilities at fair value through profit or loss - current (Note 14)	348	-	430	-	-	-
Trade payables (Note 23)	144,299	9	161,270	10	41,964	4
Other payables (Note 23)	239,101	14	223,446	14	45,500	5
Current tax liabilities (Notes 4 and 5)	29,854	2	23,365	2	23,920	3
Current portion of long-term borrowings (Notes 13 and 24)	26,873	2	24,890	2	25,109	3
Total current liabilities	480,507	29	466,538	30	189,347	20
NON-CURRENT LIABILITIES						
Bonds payable (Note 14)	182,368	11	212,529	13	-	-
Long-term borrowings (Notes 13 and 24)	96,528	6	93,792	6	102,569	11
Deferred tax liabilities (Notes 4 and 5)	15,199	1	13,357	1	12,306	1
Total non-current liabilities	294,095	18	319,678	20	114,875	12
Total liabilities	774,602	47	786,216	50	304,222	32
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 14 and 15)						
Share capital						
Ordinary shares	354,639	21	346,057	22	340,000	35
Capital surplus	161,874	10	139,056	9	113,106	12
Retained earnings						
Special reserve	15,163	1	15,163	1	19,867	2
Unappropriated earnings	339,524	20	298,668	19	239,658	25
Total retained earnings	354,687	21	313,831	20	259,525	27
Other equity	(36,773)	(2)	(66,526)	(4)	(51,634)	(6)
Total equity attributable to owners of the Company	834,427	50	732,418	47	660,997	68
NON-CONTROLLING INTERESTS	46,545	3	43,406	3	(653)	-
Total equity	880,972	53	775,824	50	660,344	68
TOTAL	$ 1,655,574	100	$ 1,562,040	100	$ 964,566	100

The accompanying notes form an integral part of the consolidated financial statements.

(With Deloitte & Touche review report dated 13 May 2016)

KEE SONG BIO-TECHNOLOGY HOLDINGS LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)
(Reviewed, Not Audited)

	For the Three Months Ended 31 March			
	2016		2015	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 16 and 23)	$ 608,031	100	$ 324,184	100
OPERATING COSTS (Notes 4, 8, 17 and 23)	(487,231)	(80)	(219,379)	(68)
GROSS PROFIT	120,800	20	104,805	32
OPERATING EXPENSES (Notes 17 and 23)				
Selling and marketing expenses	(48,632)	(8)	(39,900)	(12)
General and administrative expenses	(38,130)	(6)	(32,291)	(10)
Total operating expenses	(86,762)	(14)	(72,191)	(22)
PROFIT FROM OPERATIONS	34,038	6	32,614	10
NON-OPERATING INCOME AND EXPENSES				
Other income (Note 17)	1,952	-	1,031	-
Other gains and losses (Notes 17 and 23)	14,639	2	5,680	2
Finance costs (Note 17)	(3,120)	-	(1,106)	-
Total non-operating income and expenses	13,471	2	5,605	2
PROFIT BEFORE INCOME TAX	47,509	8	38,219	12
INCOME TAX EXPENSE (Notes 4, 5 and 18)	(6,809)	(1)	(8,187)	(3)
NET PROFIT FOR THE PERIOD	40,700	7	30,032	9
OTHER COMPREHENSIVE INCOME (LOSS) (Note 4)				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	33,048	5	(36,448)	(11)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	$ 73,748	12	$ (6,416)	(2)
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	$ 40,856	7	$ 30,708	9
Non-controlling interests	(156)	-	(676)	-
	$ 40,700	7	$ 30,032	9

(Continued)

KEE SONG BIO-TECHNOLOGY HOLDINGS LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)
(Reviewed, Not Audited)

	For the Three Months Ended 31 March			
	2016		2015	
	Amount	%	Amount	%
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	$ 70,609	12	$ (5,763)	(2)
Non-controlling interests	3,139	-	(653)	-
	$ 73,748	12	$ (6,416)	(2)
EARNINGS PER SHARE (Note 19)				
Basic	$1.18		$0.90	
Diluted	$1.06		$0.90	

The accompanying notes form an integral part of the consolidated financial statements.

(With Deloitte & Touche review report dated 13 May 2016) (Concluded)

KEE SONG BIO-TECHNOLOGY HOLDINGS LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	Equity Attributable to Owners of the Company								
	Share Capital			Retained Earnings		Other Equity			
	Shares (In Thousands)	Amount	Capital Surplus	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Total	Non-Controlling Interests	Total Equity
BALANCE AT 1 JANUARY 2015	34,000	$ 340,000	$ 113,106	$ 19,867	$ 208,950	$ (15,163)	$ 666,760	$ -	$ 666,760
Net profit for the three months ended 31 March 2015	-	-	-	-	30,708	-	30,708	(676)	30,032
Other comprehensive income (loss) for the three months ended 31 March 2015, net of income tax	-	-	-	-	-	(36,471)	(36,471)	23	(36,448)
Total comprehensive income (loss) for the three months ended 31 March 2015	-	-	-	-	30,708	(36,471)	(5,763)	(653)	(6,416)
BALANCE AT 31 MARCH 2015	34,000	$ 340,000	$ 113,106	$ 19,867	$ 239,658	$ (51,634)	$ 660,997	$ (653)	$ 660,344
BALANCE AT 1 JANUARY 2016	34,606	$ 346,057	$ 139,056	$ 15,163	$ 298,668	$ (66,526)	$ 732,418	$ 43,406	$ 775,824
Equity component of convertible bonds issued by the Company	-	-	(1,342)	-	-	-	(1,342)	-	(1,342)
Net profit for the three months ended 31 March 2016	-	-	-	-	40,856	-	40,856	(156)	40,700
Other comprehensive income for the three months ended 31 March 2016, net of income tax	-	-	-	-	-	29,753	29,753	3,295	33,048
Total comprehensive income for the three months ended 31 March 2016	-	-	-	-	40,856	29,753	70,609	3,139	73,748
Convertible bonds converted to ordinary shares	858	8,582	24,160	-	-	-	32,742	-	32,742
BALANCE AT 31 MARCH 2016	35,464	$ 354,639	$ 161,874	$ 15,163	$ 339,524	$ (36,773)	$ 834,427	$ 46,545	$ 880,972

The accompanying notes form an integral part of the consolidated financial statements.

(With Deloitte & Touche review report dated 13 May 2016)

KEE SONG BIO-TECHNOLOGY HOLDINGS LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	For the Three Months Ended 31 March	
	2016	**2015**
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	$ 47,509	$ 38,219
Adjustments for:		
Depreciation expenses	12,914	8,580
Impairment loss recognized on trade receivables	844	72
Net gain on fair value change of financial liabilities designated as at fair value through profit or loss	(89)	-
Finance costs	3,120	1,106
Interest income	(1,952)	(702)
Loss (gain) on disposal of property, plant and equipment	42	(1,043)
Changes in operating assets and liabilities		
Trade receivables	(19,068)	9,846
Other receivables	655	(9,516)
Inventories	(13,493)	230
Biological assets	12,105	(3,573)
Prepayment	2,050	1,436
Trade payables	(16,971)	(13,522)
Other payables	15,655	(5,302)
Cash generated from operations	43,321	25,831
Interest received	1,952	702
Interest paid	(1,875)	(1,106)
Income tax paid	870	1,127
Net cash generated from operating activities	44,268	26,554
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(17,002)	(18,232)
Proceeds from disposal of property, plant and equipment	-	1,655
Increase in other financial assets - current	(2,354)	-
Decrease in other financial assets - current	-	2,683
Increase in prepayments for equipment	(5,581)	(214)
Net cash used in investing activities	(24,937)	(14,108)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	9,876	42,112
Proceeds from long-term borrowings	4,719	15,183
Net cash generated from financing activities	14,595	57,295

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KEE SONG BIO-TECHNOLOGY HOLDINGS LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	For the Three Months Ended 31 March	
	2016	**2015**
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	$ (11,323)	$ (15,574)
NET INCREASE IN CASH AND CASH EQUIVALENTS	22,603	54,167
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	496,061	330,910
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 518,664	$ 385,077

Reconciliation of the amounts in the consolidated statements of cash flows with the equivalent items reported in the consolidated balance sheets at 31 March 2016 and 2015:

	For the Three Months Ended 31 March	
	2016	**2015**
Cash and cash equivalents in consolidated balance sheets	$ 525,836	$ 395,819
Bank overdrafts	(7,172)	(10,742)
Cash and cash equivalents in consolidated statements of cash flow	$ 518,664	$ 385,077

The accompanying notes form an integral part of the consolidated financial statements.

(With Deloitte & Touche review report dated 13 May 2016) (Concluded)

1. GENERAL INFORMATION

Kee Song Bio-Technology Holdings Limited (the "Company") is incorporated in Cayman Islands on 11 May 2010. The Company was formed for the purpose of restructuring the organization in order to apply for Foreign Issuer Listing on the Taipei Exchange. After restructuring, the Company became the ultimate parent company of the whole group.

The major operating subsidiaries of the Company are Kee Song Brothers Poultry Industries Pte. Ltd. ("KSB Company") operating as a poultry slaughterhouse and distributors; Meng Kee Poultry (M) Sdn. Bhd. ("MKP Company") operating as a poultry farmer, and Kee Song Agriculture Sdn. Bhd. ("KSA Company") operating as a poultry farmer and distributors.

The Company's shares have been listed and traded on the Taipei Exchange since December 2011.

The consolidated financial statements are presented in the Company's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors on 13 May 2016.

3. APPLICATION OF NEW AND REVISED STANDARDS, AMENDMENTS AND INTERPRETATIONS

The International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) issued but not yet endorsed by the Financial Supervisory Commission ("FSC").

The Company and its subsidiaries (the "Group") have not applied the following IFRS, IAS, IFRIC and SIC (collectively, the "IFRSs") issued by the International Accounting Standards Board (IASB) but not yet endorsed by the FSC.

On 10 March 2016, the FSC announced the scope of IFRSs to be endorsed and will take effect from 1 January 2017. The scope includes all IFRSs that were issued by the IASB before 1 January 2016 and have effective dates on or before 1 January 2017, except for IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from Contracts with Customers" and those with undetermined effective date. In addition, the FSC announced that the Group should apply IFRS 15 starting 1 January 2018. As of the date the consolidated financial statements were authorized for issue, the FSC has not announced the effective dates of other new, amended and revised standards and interpretations.

New and Revised Standards, Amendments and Interpretations	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRSs 2010-2012 Cycle	1 July 2014 (Note 2)
Annual Improvements to IFRSs 2011-2013 Cycle	1 July 2014
Annual Improvements to IFRSs 2012-2014 Cycle	1 January 2016 (Note 3)
IFRS 9 "Financial Instruments"	1 January 2018
Amendments to IFRS 9 and IFRS 7 "Mandatory Effective Date of IFRS 9 and Transition Disclosures"	1 January 2018
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
Amendments to IFRS 10, IFRS 12 and IAS 28 "Investment Entities: Applying the Consolidation Exception"	1 January 2016
Amendment to IFRS 11 "Accounting for Acquisitions of Interests in Joint Operations"	1 January 2016
IFRS 14 "Regulatory Deferral Accounts"	1 January 2016
IFRS 15 "Revenue from Contracts with Customers"	1 January 2018
Amendment to IFRS 15 "Clarifications to IFRS 15"	1 January 2018
IFRS 16 "Leases"	1 January 2019
Amendment to IAS 1 "Disclosure Initiative"	1 January 2016
Amendment to IAS 7 "Disclosure Initiative"	1 January 2017
Amendments to IAS 12 "Recognition of Deferred Tax Assets for Unrealized Losses"	1 January 2017
Amendments to IAS 16 and IAS 38 "Clarification of Acceptable Methods of Depreciation and Amortization"	1 January 2016
Amendments to IAS 16 and IAS 41 "Agriculture: Bearer Plants"	1 January 2016
Amendment to IAS 19 "Defined Benefit Plans: Employee Contributions"	1 July 2014
Amendment to IAS 36 "Impairment of Assets: Recoverable Amount Disclosures for Non-financial Assets"	1 January 2014
Amendment to IAS 39 "Novation of Derivatives and Continuation of Hedge Accounting"	1 January 2014
IFRIC 21 "Levies"	1 January 2014

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual periods beginning on or after their respective effective dates.

Note 2: The amendment to IFRS 2 applies to share-based payment transactions with grant date on or after 1 July 2014; the amendment to IFRS 3 applies to business combinations with acquisition date on or after 1 July 2014; the amendment to IFRS 13 is effective immediately; the remaining amendments are effective for annual periods beginning on or after 1 July 2014.

Note 3: The amendment to IFRS 5 is applied prospectively to changes in a method of disposal that occur in annual periods beginning on or after 1 January 2016; the remaining amendments are effective for annual periods beginning on or after 1 January 2016.

The initial application of the above New IFRSs, whenever applied, would not have any material impact on the Group's accounting policies, except for the following:

a. IFRS 9 "Financial Instruments"

Recognition and measurement of financial assets

With regards to financial assets, all financial assets that are within the scope of IAS 39 "Financial Instruments: Recognition and Measurement" are subsequently measured at amortized cost or fair value. Under IFRS 9, the requirement for the classification of financial assets is stated below.

For the Group's debt instruments that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, their classification and measurement are as follows:

1) For debt instruments, if they are held within a business model whose objective is to collect the contractual cash flows, the financial assets are measured at amortized cost and are assessed for impairment continuously with impairment loss recognized in profit or loss, if any. Interest revenue is recognized in profit or loss by using the effective interest method;

2) For debt instruments, if they are held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of financial assets, the financial assets are measured at fair value through other comprehensive income (FVTOCI). Interest revenue is recognized in profit or loss by using the effective interest method, and other gain or loss shall be recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses. When the debt instruments are derecognized or reclassified, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.

Except for above, all other financial assets are measured at fair value through profit or loss. However, the Group may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognized in profit or loss. No subsequent impairment assessment is required, and the cumulative gain or loss previously recognized in other comprehensive income cannot be reclassified from equity to profit or loss.

The impairment of financial assets

IFRS 9 uses the "Expected Credit Losses Model" to recognize the impairment loss on financial assets. The credit loss allowance is required for financial assets measured at amortized cost, financial assets mandatorily measured at FVTOCI, lease receivables, contract assets arising from IFRS 15 "Revenue from Contracts with Customers", certain written loan commitments and financial guarantee contracts. A loss allowance for the 12-month expected credit losses is required for a financial asset if its credit risk has not increased significantly since initial recognition. A loss allowance for full lifetime expected credit losses is required for a financial asset if its credit risk has increased significantly since initial recognition and is not low. However, a loss allowance for full lifetime expected credit losses is required for trade receivables that do not constitute a financing transaction.

For purchased or originated credit-impaired financial assets, the Group takes into account the expected credit losses on initial recognition in calculating the credit-adjusted effective interest rate. Subsequently, any changes in expected losses are recognized as a loss allowance with a corresponding gain or loss recognized in profit or loss.

b. Amendment to IAS 36 "Recoverable Amount Disclosures for Non-financial Assets"

The amendment clarifies that the recoverable amount of an asset or a cash-generating unit is disclosed only when an impairment loss on the asset has been recognized or reversed during the period. Furthermore, if the recoverable amount of an item of property, plant and equipment for which impairment loss has been recognized or reversed is fair value less costs of disposal, the Group is required to disclose the fair value hierarchy. If the fair value measurements are categorized within Level 3, the valuation technique and key assumptions used to measure the fair value are disclosed. The discount rate used is disclosed if such fair value less costs of disposal is measured by using present value technique.

c. Annual Improvements to IFRSs: 2010-2012 Cycle

Several standards including IFRS 2 "Share-based Payment", IFRS 3 "Business Combinations" and IFRS 8 "Operating Segments" were amended in this annual improvement.

The amended IFRS 8 requires an entity to disclose the judgments made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have "similar economic characteristics". The amendment also clarifies that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segments' assets are regularly provided to the chief operating decision-maker.

IFRS 13 was amended to clarify that the issuance of IFRS 13 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of not discounting is immaterial.

IAS 24 was amended to clarify that a management entity providing key management personnel services to the Group is a related party of the Group. Consequently, the Group is required to disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

d. Annual Improvements to IFRSs: 2011-2013 Cycle

Several standards, including IFRS 3, IFRS 13 and IAS 40 "Investment Property", were amended in this annual improvement.

The scope in IFRS 13 of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis was amended to clarify that it includes all contracts that are within the scope of, and accounted for in accordance with, IAS 39 or IFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within IAS 32.

e. Annual Improvements to IFRSs: 2012-2014 Cycle

Several standards including IFRS 5 "Non-current assets held for sale and discontinued operations", IFRS 7, IAS 19 and IAS 34 were amended in this annual improvement.

IFRS 5 was amended to clarify that reclassification between non-current assets (or disposal group) "held for sale" and non-current assets "held for distribution to owners" does not constitute a change to a plan of sale or distribution. Therefore, previous accounting treatment is not reversed. The amendment also explains that assets that no longer meet the criteria for "held for distribution to owners" and do not meet the criteria for "held for sale" should be treated in the same way as assets that cease to be classified as held for sale.

f. IFRS 16 “Leases”

IFRS 16 sets out the accounting standards for leases that will supersede IAS 17 and a number of related interpretations.

Under IFRS 16, if the Group is a lessee, it shall recognize right-of-use assets and lease liabilities for all leases on the consolidated balance sheets except for low-value and short-term leases. The Group may elect to apply the accounting method similar to the accounting for operating lease under IAS 17 to the low-value and short-term leases. On the consolidated statements of comprehensive income, the Group should present the depreciation expense charged on the right-of-use asset separately from interest expense accrued on the lease liability; interest is computed by using effective interest method. On the consolidated statements of cash flows, cash payments for the principal portion of the lease liability are classified within financing activities; cash payments for interest portion are classified within operating activities.

The application of IFRS 16 is not expected to have a material impact on the accounting of the Group as lessor.

When IFRS 16 becomes effective, the Group may elect to apply this Standard either retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of the initial application of this Standard recognized at the date of initial application.

g. Amendments to IAS 12 “Recognition of Deferred Tax Assets for Unrealized Losses”

The amendment clarifies that the difference between the carrying amount of the debt instrument measured at fair value and its tax base gives rise to a temporary difference, even though there are unrealized losses on that asset, irrespective of whether the Group expects to recover the carrying amount of the debt instrument by sale or by holding it and collecting contractual cash flows.

In addition, in determining whether to recognize a deferred tax asset, the Group should assess a deductible temporary difference in combination with all of its other deductible temporary differences, unless the tax law restricts the utilization of losses to deduction against income of a specific type, in which case, a deductible temporary difference is assessed in combination only with other deductible temporary differences of the appropriate type. The amendment also stipulates that, when determining whether to recognize a deferred tax asset, the estimate of probable future taxable profit may include some of the Group’s assets for more than their carrying amount if there is sufficient evidence that it is probable that the Group will achieve this, and that the estimate for future taxable profit should exclude tax deductions resulting from the reversal of deductible temporary differences.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group’s financial position and financial performance, and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as endorsed by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual financial statements.

b. Basis of consolidation

See Note 11 and Table 4 for the detailed information of subsidiaries (including the percentage of ownership and main business).

c. Other significant accounting policies

Except for the following, the accounting policies applied in these consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended 31 December 2015. For the summary of other significant accounting policies, please refer to the consolidated financial statements for the year ended 31 December 2015.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The same critical accounting judgements and key sources of estimation uncertainly of consolidated financial statements have been followed in these consolidated financial statements as were applied in the preparation of the consolidated financial statements as of December 2015. Please refer to Note 5 in consolidated financial statements as of 31 December 2015 for details.

6. CASH AND CASH EQUIVALENTS

	31 March 2016	31 December 2015	31 March 2015
Cash on hand	$ 2,048	$ 1,757	$ 1,311
Cash at bank	168,086	134,997	307,011
Cash equivalent			
Time deposits with original maturity less than three months	355,702	369,460	87,497
	$ 525,836	$ 506,214	$ 395,819

7. TRADE RECEIVABLES

	31 March 2016	31 December 2015	31 March 2015
Trade receivables from unrelated parties	$ 216,238	$ 197,258	$ 133,823
Less: Allowance for impairment loss	(1,603)	(732)	(2,223)
	214,635	196,526	131,600
Trade receivables from related parties	178	36	10
Less: Allowance for impairment loss	-	-	-
	178	36	10
	$ 214,813	$ 196,562	$ 131,610

The movements of the allowance for impairment loss on trade receivables were as follows:

	1 January 2016 to 31 March 2016	1 January 2015 to 31 March 2015
Individually assessed for impairment		
Balance at 1 January	$ 732	$ 2,294
Add: Impairment losses recognized on receivables	844	72
Foreign exchange translation gain and losses	27	143
Balance at 31 March	$ 1,603	$ 2,223

The average credit period on sales of goods was 60 days. Trade receivables that were individually assessed to be impaired at the end of the reporting year relate to debtors that were in significant financial difficulties. The allowance for impairment loss recognized represented the difference between the carrying amount of the trade receivables and the present value of its expected recoverable amount. The Group did not hold any collateral for these balances.

The aging of receivables that were past due but not impaired was as follows:

	Not Past Due and Not Impaired	Past Due But Not Impaired			Total
		Less than 30 Days	31-60 Days	Above 61 Days	
31 March 2016	$ 171,961	$ 21,234	$ 11,355	$ 10,263	$ 214,813
31 December 2015	166,156	21,846	6,731	1,829	196,562
31 March 2015	118,155	8,443	980	4,032	131,610

The above aging schedule was based on the past due date.

8. INVENTORIES

	31 March 2016	31 December 2015	31 March 2015
Trading goods	$ 23,094	$ 14,534	$ 1,999
Finished goods	20,084	16,151	18,556
Raw materials	6,633	5,633	1,890
	$ 49,811	$ 36,318	$ 22,445

The cost of inventories recognized as cost of goods sold for the three months ended 31 March 2016 and 2015 was $487,231 thousand and $219,379 thousand, respectively.

The cost of goods sold for the three months ended 31 March 2016 and 2015 included inventory write-downs of $0 thousand each.

9. BIOLOGICAL ASSETS

	Broiler	Breeder	Total
Balance at 1 January 2015	$ 21,289	$ -	$ 21,289
Purchases during the period	87,533	-	87,533
Sold during the period	(83,960)	-	(83,960)
Exchange difference	(1,565)	-	(1,565)
Balance at 31 March 2015	$ 23,297	$ -	$ 23,297
Balance at 1 January 2016	$ 56,296	$ 70,354	$ 126,650
Purchases during the period	245,033	53,005	298,038
Depreciation during the period	-	(26,417)	(26,417)
Sold during the period	(242,410)	(41,316)	(283,726)
Exchange difference	4,176	4,484	8,660
Balance at 31 March 2016	$ 63,095	$ 60,110	$ 123,205

The Group was exposed to financial risk arising from fluctuation in poultry prices. The Group anticipated that there would not be any material fluctuation in poultry prices, and thus the Group did not enter into any hedging and derivatives contract on the poultry. Management focused closely watches poultry prices on regular basis, and will take actions, if necessary.

10. PREPAYMENTS

	31 March 2016	31 December 2015	31 March 2015
Other prepaid expenses	$ 22,380	$ 24,933	$ 4,042
Other advance payments	1,200	697	343
	$ 23,580	$ 25,630	$ 4,385

Included in other advance payments, there were $ 1 thousand paid to Singapore Poultry Hub Pte. Ltd. for 30% interest (100 shares) on SPH plans subscription and $ 714 thousand owing by SPH.

11. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements:

			Proportion of Ownership (%)			
Investor	Investee	Nature of Activities	31 March 2016	31 December 2015	31 March 2015	Remark
The Company	Kee Song Holdings Pte. Ltd. (KSH Company)	Investment holding	100	100	100	
KSH Company	Kee Song Brothers Poultry Industries Pte. Ltd. (KSB Company)	Importing, slaughtering, wholesaling and retailing poultry and consumable goods of all kinds	100	100	100	
KSH Company	Meng Kee Poultry (M) Sdn. Bhd. (MKP Company)	Poultry farming	100	100	100	
KSH Company	Yong Tai Hoe (Taiwan) Co., Ltd. (YTH Company)	Poultry farming, wholesaling and retailing poultry and consumable goods of all kinds	100	100	100	
KSH Company	Kee Song Natural Foods (M) Sdn. Bhd. (KSNF Company)	Layer farming	100	100	100	
KSH Company	Kee Song Agriculture (M) Sdn. Bhd. (KSA Company)	Poultry farming, processing and marketing of poultry related products	70	70	70	

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%) 31 March 2016	31 December 2015	31 March 2015	Remark
KSH Company	YKH Holdings (M) Sdn. Bhd. (YKH Company)	Investment holding	100	100	-	
KSH Company and YKH Company	Kee Song Realty (M) Sdn. Bhd. (KSR Company)	Property investment	70	70	-	
KSH Company	Kee Song Ocean Pte. Ltd. (KSO Company)	Processing and marketing of seafood products	60	60	-	
MKP Company	Lucky Poultry (M) Sdn. Bhd. (LKP Company)	Processing and marketing of poultry related products	100	100	100	
MKP Company	Meng Woon Holdings (M) Sdn. Bhd. (MW Company)	Property investment	100	100	100	
MKP Company	Kee Song Jaya Feedmills (M) Sdn. Bhd. (KSJ Company)	Manufacturing of poultry feed products	100	100	100	

(Concluded)

12. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Machinery and Equipment	Other Equipment	Construction Progress and Equipment Awaiting Examination	Total
Cost						
Balance at 1 January 2015	$ 64,533	$ 288,478	$ 150,330	$ 145,008	$ 2,194	$ 650,543
Additions	-	414	690	16,740	388	18,232
Disposals	-	-	-	(3,606)	-	(3,606)
Exchange differences	(4,388)	(17,785)	(7,724)	(8,214)	(80)	(38,191)
Reclassification	-	2,566	-	722	(2,502)	786
Balance at 31 March 2015	$ 60,145	$ 273,673	$ 143,296	$ 150,650	$ -	$ 627,764
Accumulated depreciation						
Balance at 1 January 2015	$ -	$ 124,470	$ 120,293	$ 91,463	$ -	$ 336,226
Depreciation	-	3,292	1,744	3,544	-	8,580
Disposals	-	-	-	(2,994)	-	(2,994)
Exchange differences	-	(8,239)	(6,125)	(4,933)	-	(19,297)
Balance at 31 March 2015	$ -	$ 119,523	$ 115,912	$ 87,080	$ -	$ 322,515
Balance at 1 January 2015, net	$ 64,533	$ 164,008	$ 30,037	$ 53,545	$ 2,194	$ 314,317
Balance at 31 March 2015, net	$ 60,145	$ 154,150	$ 27,384	$ 63,570	$ -	$ 305,249
Cost						
Balance at 1 January 2016	$ 125,284	$ 376,939	$ 246,099	$ 155,166	$ 22,432	$ 925,920
Additions	-	500	1,678	10,529	4,295	17,002
Disposals	-	-	-	(5,090)	-	(5,090)
Exchange differences	9,055	22,714	11,374	6,258	1,797	51,198
Balance at 31 March 2016	$ 134,339	$ 400,153	$ 259,151	$ 166,863	$ 28,524	$ 989,030
Accumulated depreciation						
Balance at 1 January 2016	$ -	$ 120,114	$ 123,042	$ 85,027	$ -	$ 328,183
Depreciation	-	4,684	3,650	4,580	-	12,914
Disposals	-	-	-	(5,048)	-	(5,048)
Exchange differences	-	7,995	3,763	3,281	-	15,039
Balance at 31 March 2016	$ -	$ 132,793	$ 130,455	$ 87,840	$ -	$ 351,088

(Continued)

	Freehold Land	Buildings	Machinery and Equipment	Other Equipment	Construction Progress and Equipment Awaiting Examination	Total
Balance at 1 January 2016, net	$ 125,284	$ 256,825	$ 123,057	$ 70,139	$ 22,432	$ 597,737
Balance at 1 March 2016, net	$ 134,339	$ 267,360	$ 128,696	$ 79,023	$ 28,524	$ 637,942

(Concluded)

The above items of property, plant and equipment were depreciated on a straight-line basis over the estimated useful life of the asset:

Buildings	10-30 years
Machinery and equipment	10 years
Other equipment	3-10 years

Property, plant and equipment pledged as collateral for bank borrowings were set out in Note 24.

13. BORROWINGS

a. Short-term borrowings

	31 March 2016	31 December 2015	31 March 2015
Bank overdrafts	$ 7,172	$ 10,153	$ 10,742
Secured bank loans*	32,860	22,984	42,112
	$ 40,032	$ 33,137	$ 52,854

* The range of weighted average effective interest rate on bank loans was 4.14%-7.85%, 4.1%-7.85% and 0.75%-7.85% per annum as of 31 March 2016, 31 December 2015 and 31 March 2015, respectively.

b. Long-term borrowings

	Maturity	Significant Terms	31 March 2016	31 December 2015	31 March 2015
Secured bank loans*	2000.05.13-2034.03.05	Principal and interest are paid monthly	$ 98,068	$ 98,900	$ 112,692
Finance leases*	2011.02.27-2020.10.29	Principal and interest are paid monthly	25,333	19,782	-
Finance leases*	2011.02.27-2019.01.14	Principal and interest are paid monthly	-	-	14,986
			123,401	118,682	127,678
Less: Current portion			(26,873)	(24,890)	(25,109)
Long-term borrowings			$ 96,528	$ 93,792	$ 102,569

* The range of weighted average effective interest rate on bank loans was 1.50%-8.13%, 1.98%-8.13% and 1.45%-7.5% per annum as of 31 March 2016, 31 December 2015 and 31 March 2015, respectively.

Please refer to Note 24 for details on property, plant and equipment pledged as security for borrowings.

14. BONDS PAYABLE

a. Unsecured domestic convertible bonds

	31 March 2016	31 December 2015	31 March 2015
Principal amount	$ 193,200	$ 226,500	$ -
Discounts on bonds payable	(10,832)	(13,971)	-
	182,368	212,529	-
Less: Current portion	-	-	-
	$ 182,368	$ 212,529	$ -
Embedded derivatives	$ 348	$ 430	$ -
Equity component	$ 7,790	$ 9,132	$ -

The first unsecured domestic convertible bonds payable

1) Issue size and issue price: NT$250,000 thousand, each with a face value of NT$100 thousand, issued based on 100% of par value.

2) Coupon rate: 0% per annum.

3) Issue period: From 15 September 2015 to 15 September 2018

4) Terms of exchange:

   a) Conversion Securities: Ordinary shares of the Company.

   b) Conversion Period: The bonds are convertible at any time on or after 16 October 2015 and prior to 15 September 2018 into ordinary shares of the Company.

   c) Conversion Price and Adjustment: The conversion price was originally NT$38.8 per share. The conversion price will be subject to adjustments upon the occurrence of certain events set out in the indenture.

5) The Company's call option:

   Under the following circumstances, effective from 1 month after the issuance until 40 days to maturity, the Company may recall the convertible bonds at par value per year:

   a) The closing price of the Company's common stocks exceeds 30% of the last adjusted conversion price for a period of 30 consecutive business days.

   b) The balance of the Company's total bonds currently in circulation falls lower than 10% of par value.

6) Bondholder's put option:

   The bondholders will have the right, at such holder's option, to redeem the bonds held by such holder on the date that two years from the issuance date. (At par value with interest calculated at the rate of 2.01%.)

b. Unsecured domestic bonds payable conversions are as follows:

	1 January 2016 to 31 March 2016		1 January 2015 to 31 December 2015		1 January 2015 to 31 March 2015	
	Par Value of Convertible Bonds	Numbers of Shares Converted	Par Value of Convertible Bonds	Numbers of Shares Converted	Par Value of Convertible Bonds	Numbers of Shares Converted
Converted amount at the beginning	$ 23,500	606,000	$ -	-	$ -	-
Converted amount during the period	33,300	858,000	23,500	606,000	-	-
Converted amount at the end	$ 56,800	1,464,000	$ 23,500	606,000	$ -	-

15. EQUITY

Share Capital - Ordinary Shares

	31 March 2016	31 December 2015	31 March 2015
Numbers of shares authorized (in thousands)	100,000	100,000	100,000
Shares authorized	$ 1,000,000	$ 1,000,000	$ 1,000,000
Number of shares issued and fully paid (in thousands)	35,464	34,606	34,000
Shares issued	$ 354,639	$ 346,057	$ 340,000

As at 31 March 2016, the bonds holders had exercised their right to convert bonds into 1,463,900 shares of NT$10 par value ordinary share of the Company. The newly issued shares had been approved and registered with relevant authorities.

Capital Surplus

	31 March 2016	31 December 2015	31 March 2015
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital*			
Additional paid-in capital	$ 113,106	$ 113,106	$ 113,106
Arising from conversion of bonds	40,978	16,818	-
May not be used for any purpose			
Arising from share options	7,790	9,132	-
	$ 161,874	$ 139,056	$ 113,106

* Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and once a year).

Retained Earnings and Dividend Policy

According to the Company's Memorandum and Articles of Association, the Company may distribute profits in accordance with a proposal for profit distribution approved by the Board and sanctioned by the Shareholders by an Ordinary Resolution in annual general meetings. The Board shall set aside out of profits for the relevant financial year: (i) a reserve for payment of tax for the relevant year; (ii) an amount to offset losses incurred in previous years; and (iii) a special surplus reserve as required by the applicable securities authority under the Applicable Public Company Rules. The remaining amount shall be distributed in the following sequence and manner upon approval by the Shareholders:

a. No more than 3% as employees' bonus;

b. No more than 3% as directors' bonus; and

c. The balance as dividends to shareholders. The dividends shall not be less than 10% of net profit after tax earned in such financial year deducting reserves, employees' bonus and directors' bonus.

Dividends to the Shareholders and the employees' bonus may be distributed, in the discretion of the Board of Directors, by way of cash or by way of applying such sum in paying up in fall unissued shares or a combination of both for allocation and distribution to Shareholders or employees. Cash dividends to Shareholders shall not be less than 10 % of the total amount of dividends to Shareholders, provided, however, that the Board may adjust the cash dividends payout ratio in any given year based on the Company's net income and business operations for the respective financial year. When the employees' bonus is distributed by way of an issue of fully paid shares, the recipients may include qualified employees of the Company's subsidiaries. No unpaid dividend and bonus shall bear interest as against the Company.

In accordance with the Order No. Financial-Supervisory-Securities-Corporate- 1010012865 issued by FSC on 6 April 2012, on the first-time adoption of the TIFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders' equity that the Company elects to transfer to retained earnings by application of the exemption under IFRS 1, the Company shall set aside an equal amount of special reserve. The above-mentioned Order has no impact to the Company.

The distribution of earnings distribution and dividends per share for the year ended 31 December 2015 and 2014 was resolved by the board of directors on 18 March 2016 and approved by the shareholders' meeting held on 22 June 2015, respectively. The details of earnings distribution and dividends per share were as follows:

	Appropriation of Earnings		Dividends Per Share (NT$)	
	2015	**2014**	**2015**	**2014**
Appropriation (reversal) of special reserve	$ 51,363	$ (4,704)	$ -	$ -
Common stock cash dividend	52,500	44,200	1.517	1.3

For information about the accrual basis of the employees' bonus and remuneration to directors and the actual appropriations, please refer to employee benefits expense in Note 17,e.

16. REVENUE

	1 January 2016 to 31 March 2016	1 January 2015 to 31 March 2015
Revenue from the sale of goods	$ 608,031	$ 324,184

17. COMPREHENSIVE INCOME ITEM DETAILS

a. Other income

	1 January 2016 to 31 March 2016	1 January 2015 to 31 March 2015
Interest income	$ 1,952	$ 702
Others	-	329
	$ 1,952	$ 1,031

b. Other gains and losses

	1 January 2016 to 31 March 2016	1 January 2015 to 31 March 2015
Net foreign exchange gains	$ 10,387	$ 31
(Loss) gain on disposal of property, plant and equipment	(42)	1,043
Net gain arising on financial liabilities designated as at FVTPL	89	-
Others	4,205	4,606
	$ 14,639	$ 5,680

c. Finance costs

	1 January 2016 to 31 March 2016	1 January 2015 to 31 March 2015
Interest on bank borrowings	$ 1,875	$ 1,106
Interest on convertible bonds	1,245	-
	$ 3,120	$ 1,106

d. Depreciation

	1 January 2016 to 31 March 2016	1 January 2015 to 31 March 2015
Property, plant and equipment	$ 12,914	$ 8,580
An analysis of depreciation by function		
Operating costs	$ 7,827	$ 4,858
Operating expenses	5,087	3,722
	$ 12,914	$ 8,580

e. Employee benefits expense

	1 January 2016 to 31 March 2016	1 January 2015 to 31 March 2015
Short-term benefits	$ 82,755	$ 61,131
Provident fund and post-employee benefits-defined contribution plans	5,033	3,418
	$ 87,788	$ 64,549
An analysis of employee benefits expense by function		
Operating costs	$ 34,725	$ 21,853
Operating expenses	53,063	42,696
	$ 87,788	$ 64,549

For the three months ended 31 March 2016, and 2015, the bonus to employees and the remuneration to directors were $0 thousand each. Material differences between such estimated amounts and the amounts proposed by the board of directors on or before the date the annual consolidated financial statements are authorized for issue are adjusted in the year the bonus and remuneration were recognized. If there is a change in the proposed amounts after the annual consolidated financial statements were authorized for issue, the differences are recorded as a change in accounting estimate.

The amounts of the bonus to employees and the remuneration to directors for 2015 resolved by the board of directors on 18 March 2016 and for 2014 approved in the shareholders' meetings on 22 June 2015 were $0 thousand each. The amounts of the employees' bonus and the remuneration to directors for 2015 are subject to the approval of the shareholders in their meeting to be held on 27 June 2016.

There was no difference between the amounts of the bonus to employees and the remuneration to directors resolved by the board of directors on 18 March 2016 and the amounts of the bonus to employees and the remuneration to directors approved in the shareholders' meetings on 22 June 2015, and the respective amounts recognized in the consolidated financial statements for the years ended 31 December 2015 and 2014.

Information on the employees' bonus and remuneration to directors for 2015 approved by the Company's board of directors in 2016 and the bonus to employees, directors and supervisors for 2014 resolved by the shareholders' meeting in 2015 are available on the Market Observation Post System website of the Taiwan Stock Exchange.

18. INCOME TAXES

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	1 January 2016 to 31 March 2016	1 January 2015 to 31 March 2015
Current tax		
In respect of the current period	$ 5,717	$ 7,239
Deferred tax		
In respect of the current period	1,092	948
Income tax expense recognized in profit or loss	$ 6,809	$ 8,187

b. Income tax conditions imposed on the Group are as follows:

1) The Company was incorporated in the Cayman Islands, where companies are exempted from corporate income tax.

2) The Company's subsidiaries, KSH Company, KSB Company, and KSO Company, were incorporated in Singapore; MKP Company, LKP Company, MW Company, KSJ Company, KSNF Company, KSA Company, KSR Company, and YKH Company were incorporated in Malaysia; YTH Company was incorporated in ROC. Income tax rate for profit-making companies for each country is as follows:

<u>Singapore</u>

a) In accordance with the provisions of the Singapore Income Tax Act, the taxable income is determined as total revenue for this financial year less cost of sales, operating expenses, loss, tax incentives and tax exemptions. The net amount will be the basis for calculating the profit-seeking enterprise income tax for this financial year.

b) In accordance with the Singapore Income Tax Act, 75% on the first SGD10,000 of taxable income is exempted; 50% on the next SGD10,000 - SGD290,000 of the taxable income is exempted.

c) Local corporate tax rate is 17%.

<u>Malaysia</u>

a) In accordance with the provisions of the Malaysia Income Tax Act, the taxable income is determined as total revenue for this financial year less cost of sales, operating expenses, loss, tax incentives and tax exemptions. The net amount will be the basis for calculating the profit-seeking enterprise income tax for the financial year.

b) Local corporate tax rate was 25% in or before 2015. Local corporate tax rate reduced from 25% to 24 %, effective in 1 January 2016.

<u>Taiwan</u>

a) In accordance with the provisions of the Taiwan ROC Income Tax Act, the taxable income is determined as total revenue for this financial year less cost of sales, operating expenses, loss, tax incentives and tax exemptions. The net amount will be the basis for calculating the profit-seeking enterprise income tax for the financial year.

b) Local corporate tax rate is 17%.

c. Income tax assessments

The income tax returns through 2014 of KSH Company, KSB Company, MKP Company, KSNF Company, KSJ Company, LKP Company, MW Company and YTH Company have been examined and cleared by the tax authorities.

19. EARNINGS PER SHARE

The earnings and weighted average number of ordinary shares outstanding in the computation of earnings per share from continuing operations were as follows:

Net Profit for the Period

	1 January 2016 to 31 March 2016	1 January 2015 to 31 March 2015
Earnings used in computation of basic earnings per share	$ 40,856	$ 30,708
Convertible bonds	1,066	-
Earnings used in computation of diluted earnings per share	$ 41,922	$ 30,708

Weighted Average Number of Ordinary Shares Outstanding

(In Thousand Shares)

	1 January 2016 to 31 March 2016	1 January 2015 to 31 March 2015
Weighted average number of ordinary shares outstanding in computation of basic earnings per share	34,730	34,000
Effect of potentially dilutive ordinary shares		
Convertible bonds	4,979	-
Weighted average number of ordinary shares outstanding in computation of diluted earnings per share	39,709	34,000

20. OPERATING LEASE ARRANGEMENTS

The Group as Lessee

The Group leased lands and buildings under operating leases. The future minimum lease payments of non-cancellable operating lease commitments were as follows:

	31 March 2016	31 December 2015	31 March 2015
Not later than 1 year	$ 5,969	$ 7,054	$ 8,036
Later than 1 year and not later than 5 years	1,751	2,604	4,864
	$ 7,720	$ 9,658	$ 12,900

21. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

22. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments that are not measured at fair value

The management believes that the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate to their fair values.

b. Fair value of financial instruments that are measured at fair value on a recurring basis

1) Fair value hierarchy

31 March 2016

	Level 1	Level 2	Level 3	Total
Financial liabilities at FVTPL				
Embedded derivatives	$ -	$ 348	$ -	$ 348

31 December 2015

	Level 1	Level 2	Level 3	Total
Financial liabilities at FVTPL				
Embedded derivatives	$ -	$ 430	$ -	$ 430

31 March 2015: None.

There were no transfers between Levels 1 and 2 in the current and prior periods.

2) Valuation techniques and inputs applied for the purpose of measuring Level 2 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Embedded derivatives	Derive fair value of derivatives instruments with the inputs from observable assets and liabilities in the market.

c. Categories of financial instruments

	31 March 2016	31 December 2015	31 March 2015
Financial assets			
Loans and receivables (Note 1)	$ 809,306	$ 770,025	$ 602,329
Financial liabilities			
Financial liabilities at FVTPL held for trading	348	430	-
Amortized cost (Note 2)	729,201	749,064	267,746

Note 1: The balances included loans and receivables measured at amortized cost, which comprise cash and cash equivalents (cash on hand excluded), trade receivables, other receivable and other financial assets.

Note 2: The balances included financial liabilities measured at amortized cost, which comprise short-term borrowings, trade payables, other payables, bonds payable, short-term and long-term borrowings.

d. Financial risk management objectives and policies

The Group's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activates. The Group identifies measures and manages the aforementioned risks based on the Group's policy and risk appetite.

The Group has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors and Audit Committee must be carried out based on related protocols and internal control procedures. The Group complies with its financial risk management policies at all times.

1) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk and interest rate risk.

In practice, it is rarely the case that a single risk variable will change independently from other risk variable; there is usually interdependencies between risk variables. However the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

a) Foreign currency risk

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense are denominated in a different currency from the Group's functional currency) and the Group's net investments in foreign subsidiaries. Foreign currency risk is not material to the Group.

The Group has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Group.

b) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's loans and receivables at floating interest rates and bank borrowings with floating interest rates.

The carrying amount of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows.

	31 March 2016	**31 December 2015**	**31 March 2015**
Fair value interest rate risk			
Financial assets	$ 49,105	$ 46,751	$ 47,967
Cash flow interest rate risk			
Financial assets	523,788	504,457	394,508
Financial liabilities	(163,433)	(151,818)	(180,532)

Sensitivity analysis

The sensitivity analysis were determined based on the Group's exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

If interest rates had been 10 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the three months ended 31 March 2016 and 2015 would decrease/increase by $360 thousand and $214 thousand, respectively.

2) Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Group is exposed to credit risk from operating activities (primarily for trade receivables) and from its financing activities, including bank deposits and other financial instruments.

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit limits are established for all customers based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Group's internal rating criteria etc. Certain customer's credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment or insurance.

As at 31 March 2016, 31 December 2015 and 31 March 2015, trade receivables from top ten customers represent 60%, 54% and 61% of the total trade receivables of the Group, respectively.

The credit concentration risk of other trade receivables is insignificant.

Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the Group's treasury in accordance with the Group's policy. The Group only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating and with no significant default risk. Consequently, there is no significant credit risk for these counter parties.

3) Liquidity risk management

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid equity investments and bank borrowings. The table below summarizes the maturity profile of the Group's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with floating interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

Non-derivative financial instruments

	On Demand or Less than 1 Year	1-2 Years	3-5 Years	5+ Years
31 March 2016				
Trade payable	$ 383,400	$ -	$ -	$ -
Bonds payable	-	197,083	-	-
Borrowings	67,879	39,509	25,174	51,580
	$ 451,279	$ 236,592	$ 25,174	$ 51,580
31 December 2015				
Trade payable	$ 384,716	$ -	$ -	$ -
Bonds payable	-	230,389	-	-
Borrowings	60,512	35,777	23,502	51,890
	$ 445,228	$ 266,166	$ 23,502	$ 51,890
31 March 2015				
Trade payable	$ 87,464	$ -	$ -	$ -
Borrowings	81,525	39,017	24,873	52,948
	$ 168,989	$ 39,017	$ 24,873	$ 52,948

23. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which were related parties of the Company, had been eliminated on consolidation and are not disclosed in this note. Besides as disclosed elsewhere in the other notes, details of transactions between the Group and other related parties were disclosed below.

a. Sales of goods

Related Parties Categories	1 January 2016 to 31 March 2016	1 January 2015 to 31 March 2015
Other related parties	$ 355	$ 205

Selling prices and terms of sales from related parties were similar to those from third parties.

b. Purchases of goods

Related Parties Categories	1 January 2016 to 31 March 2016	1 January 2015 to 31 March 2015
Other related parties	$ 9,344	$ 4,748

Purchase prices and terms of purchases from related parties were similar to those from third parties.

c. Operating expense - rental expense

Related Parties Categories	1 January 2016 to 31 March 2016	1 January 2015 to 31 March 2015
Key management personnel	$ 71	$ 78

Rental of office from related parties, lease prices were refer to the general local rent prices.

d. Other gains and losses

Related Parties Categories	1 January 2016 to 31 March 2016	1 January 2015 to 31 March 2015
Other related parties	$ 92	$ 117

e. Trade receivables from related parties

Related Parties Categories	31 March 2016	31 December 2015	31 March 2015
Other related parties	$ 178	$ 36	$ 10

f. Other receivables from related parties

Related Parties Categories	31 March 2016	31 December 2015	31 March 2015
Other related parties	$ 35	$ 131	$ 164

g. Trade payables to related parties

Related Parties Categories	31 March 2016	31 December 2015	31 March 2015
Other related parties	$ 4,294	$ 4,205	$ 1,497

h. Other payables to related parties

Related Parties Categories	31 March 2016	31 December 2015	31 March 2015
Other related parties	$ 62,017	$ 36,181	$ 5,053

i. Compensation of key management personnel

	1 January 2016 to 31 March 2016	1 January 2015 to 31 March 2015
Short-term employee benefits	$ 9,549	$ 7,664
Post-employment benefits	570	268
	$ 10,119	$ 7,932

24. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral:

	31 March 2016	31 December 2015	31 March 2015
Property, plant and equipment	$ 219,479	$ 206,217	$ 214,527
Other financial assets - time deposits	49,105	46,751	47,967
	$ 268,584	$ 252,968	$ 262,494

25. OTHER MATTERS

On 8 March 2016, KSB Company received a Notice of Proposed Infringement Decision (“PID”) from the Competition Commission of Singapore (“CCS”). CCS provisionally finds that 13 fresh chicken distributors, including KSB Company, participated in agreements and/or concerted practices relating to not competing for each other’s customers and to the quantum and timing of price movements in relation to the sale and distribution of fresh chickens in Singapore. The purpose of the PID is to give each party an opportunity to make representations on CCS’s proposed decision. KSB Company has appointed Attorney-at-Law to process the representations. Such the presentations was delivered to the CCS on 3 May 2016. Thus, the Group cannot reasonably estimate related liability.

26. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The significant financial assets and liabilities denominated in foreign currencies were as follows:

31 March 2016

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
SGD	$ 26,522	23.85	$ 632,459
MYR	18,214	8.22	149,628
Financial liabilities			
Monetary items			
SGD	4,040	23.85	96,337
MYR	45,272	8.22	371,912

31 December 2015

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
SGD	$ 26,366	23.26	$ 613,243
MYR	16,378	7.66	125,481
Financial liabilities			
Monetary items			
SGD	4,388	23.26	102,055
MYR	46,872	7.66	359,107

31 March 2015

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
SGD	$ 22,013	22.74	$ 500,537
MYR	7,862	8.42	66,220
Financial liabilities			
Monetary items			
SGD	4,962	22.74	112,830
MYR	12,988	8.42	109,390

For the three months ended 31 March 2016 and 2015, net foreign exchange gains (losses) were $10,387 thousand and $31 thousand, respectively. It is impractical to disclose net foreign exchange gain (losses) by each significant foreign currency due to the variety of the foreign currency transactions functional currencies of the group entities.

27. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

1) Financing provided to others: Table 2.

2) Endorsements/guarantees provided: Table 3.

3) Marketable securities held: None.

4) Marketable securities acquired and disposed at costs or prices at least NT$300 million or 20% of the paid-in capital: None.

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital: None.

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital: None.

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 5.

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: None.

9) Trading in derivative instruments: None.

10) Intercompany relationships and significant intercompany transactions: Table 1.

11) Information on investees: Table 4.

b. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: None.

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: None.

28. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on its products and services and has two reportable segments as follows:

a. Poultry and processing distribution: Engages in business of importing, slaughtering, wholesaling and retailing poultry and consumable goods of all kinds;

b. Poultry farming: Engages in the business of poultry farming;

The other operating segments not reported above have been aggregated and disclosed under other operating segments below.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

Transfer prices among operating segments are on an arm’s length basis in a manner similar to transactions with third parties.

	Poultry and Processing Distribution	Poultry Farming	Subtotal	Other Operating Segments (Note 1)	Adjustments and Eliminations (Note 2)	Total
1 January 2016 to 31 March 2016						
External customer	$ 367,409	$ 237,883	$ 605,292	$ 2,739	$ -	$ 608,031
Inter-company	268	151,475	151,743	2,156	(153,899)	-
Segment revenue	$ 367,677	$ 389,358	$ 757,035	$ 4,895	$ (153,899)	$ 608,031
Segment profit (loss)	$ 35,809	$ 9,811	$ 45,620	$ 1,630	$ 259	$ 47,509
1 January 2015 to 31 March 2015						
External customer	$ 323,837	$ (5)	$ 323,832	$ 352	$ -	$ 324,184
Inter-company	-	154,797	154,797	88	(154,885)	-
Segment revenue	$ 323,837	$ 154,792	$ 478,629	$ 440	$ (154,885)	$ 324,184
Segment profit (loss)	$ 34,695	$ 9,638	$ 44,333	$ (5,873)	$ (241)	$ 38,219

Note 1: Other operating segments are those which never meet the quantitative thresholds for reportable segment.

Note 2: Inter-segment revenues are eliminated on consolidation and recorded under the “adjustment and elimination” column.

TABLE 1

KEE SONG BIO-TECHNOLOGY HOLDINGS LIMITED AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE THREE MONTHS ENDED 31 MARCH 2016
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transactions Details			
				Financial Statement Account	Amount	Payment Terms	% to Total Sales or Assets (Note 3)
	For the three months ended 31 March 2016						
0	The Company	KSB Company	a	Other receivables	$ 238,464	Normal	14
1	MKP Company	KSB Company	c	Sales	133,254	Normal	22
		KSB Company	c	Trade receivables	18,889	Normal	1
		LKP Company	c	Sales	13,133	Normal	2
		LKP Company	c	Trade receivables	32,774	Normal	2
2	KSH Company	KSO Company	a	Other receivables	24,160	Normal	1
		KSA Company	a	Other receivables	90,907	Normal	5
3	KSA Company	KSR Company	c	Other receivables	63,996	Normal	4

Note 1: Business between the parent and subsidiaries is numbered as follows:

a. Parent: 0.
b. Subsidiaries are numbered from 1 in order.

Note 2: Relationship between parties is numbered as follows:

a. Parent to subsidiary.
b. Subsidiary to parent.
c. One subsidiary to another subsidiary.

Note 3: Percentage of consolidated operating revenues or consolidated total assets: If the account is a balance sheet account, it was calculated by dividing the ending balance into consolidated total assets; if the account is an income statement account, it was calculated by dividing the interim cumulative balance into consolidated operating revenues.

Note 4: Important dealings circumstances of this table by the Group is in accordance with the principle of deciding whether to significant expression and the amounts were over NT$10,000 thousand (included).

Note 5: Offset in the preparation of the consolidated financial statements.

KEE SONG BIO-TECHNOLOGY HOLDINGS LIMITED AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE THREE MONTHS ENDED 31 MARCH 2016
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Lender	Borrower	Financial Statement Account (Note 2)	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing (Note 3)	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 4)	Aggregate Financing Limits (Note 4)
													Item	Value		
0	The Company	KSB Company	Other receivables	Yes	$ 238,464 (SGD 10,000)	$ 238,464 (SGD 10,000)	$ 238,464 (SGD 10,000)	-	b	$ -	Working capital	$ -	-	$ -	$ 834,427	$ 834,427
1	KSH Company	YTH Company	Other receivables	Yes	8,108 (SGD 340)	8,108 (SGD 340)	8,108 (SGD 340)	-	b	-	Working capital	-	-	-	834,427	834,427
		KSO Company	Other receivables	Yes	23,846 (SGD 1,000)	23,846 (SGD 1,000)	23,846 (SGD 1,000)	5.25%	b	-	Working capital	-	-	-	333,771	834,427
		KSA Company	Other receivables	Yes	90,523 (MYR 11,019)	90,523 (MYR 11,019)	90,523 (MYR 11,019)	5.00%	b	-	Working capital	-	-	-	333,771	834,427
		YKH Company	Other receivables	Yes	2,588 (MYR 315)	2,588 (MYR 315)	2,588 (MYR 315)	-	b	-	Working capital	-	-	-	834,427	834,427

Note 1: Business between the parent and subsidiaries is numbered as follows:

a. Parent: 0.
b. Subsidiaries are numbered from 1 in order.

Note 2: Nature of transactions are categorized as follows:

a. Receivables from related companies.
b. Receivables from related parties.
c. Contracts with shareholders.
d. Prepayments.
e. Payment on behalf.
f. Etc.

Note 3: Nature of financing is numbered as follows:

a. With those who have business dealings.
b. With those who have short term loan borrowing.

Note 4: According to Procedures for Lending Fund to Other Parties of the Company, the accumulated balance of loan lent by the Company and its subsidiaries or the amount of loan lent to any individual entity shall not exceed.

Note 5: Offset in the preparation of the consolidated financial statements.

KEE SONG BIO-TECHNOLOGY HOLDINGS LIMITED AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE THREE MONTHS ENDED 31 MARCH 2016
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 3)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 3)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship (Note 2)										
1	KSH Company	KSB Company	c	$ 1,668,854	$ 504,453 (SGD 1,154)	$ 504,453 (SGD 21,154)	$ 93,183 (SGD 3,908)	$ -	60.46	$ 1,668,854	N	N	N
		MKP Company	c	1,668,854	103,124 (MYR 12,553)	103,124 (MYR 12,553)	41,210 (MYR 5,016)	-	12.36	1,668,854	N	N	N
		LKP Company	c	1,668,854	70,732 (MYR 8,610)	70,732 (MYR 8,610)	22,735 (MYR 2,767)	-	8.48	1,668,854	N	N	N
		KSA Company	c	83,443	4,976 (MYR 606)	4,976 (MYR 606)	- (MYR -)	-	0.60	1,668,854	N	N	N
2	MKP Company	LKP Company	c	1,668,854	1,068 (MYR 130)	1,068 (MYR 130)	910 (MYR 111)	-	0.13	1,668,854	N	N	N

Note 1: Business between the parent and subsidiaries is numbered as follows:

a. Parent: 0.
b. Subsidiaries are numbered from 1 in order.

Note 2: Relationship information of endorser and endorsee are categorized as follows:

a. Direct holding of the subsidiaries' common stocks for more than 50%.
b. Sum of direct holding of the subsidiaries' common stocks through the Company and its subsidiaries for more than 50%.
c. Direct and indirect holding of the subsidiaries' common stocks through the Company and its subsidiaries for more than 50%.

Note 3: The maximum balance of endorsement/guarantee in total and to individual company cannot exceeded of 200% of the Company's net assets.

TABLE 4

KEE SONG BIO-TECHNOLOGY HOLDINGS LIMITED AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE THREE MONTHS ENDED 31 MARCH 2016
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		As of 31 March 2016			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				31 March 2016	31 December 2015	Shares	Percentage of Ownership	Carrying Amount			
The Company	KSH Company	Singapore	Investment holding	$ 177,985 (SGD 7,519)	$ 177,985 (SGD 7,519)	$ 7,519,061	100	$ 759,503	$ 39,606 (SGD 1,678)	$ 39,606 (SGD 1,678)	
KSH Company	KSB Company	Singapore	Slaughtering and poultry distribution	35,374 (SGD 1,500)	35,374 (SGD 1,500)	1,500,000	100	359,156 (SGD 15,061)	30,124 (SGD 1,277)	30,124 (SGD 1,277)	
	MKP Company	Malaysia	Poultry farming	145,621 (MYR 15,000)	145,621 (MYR 15,000)	8,000,000	100	156,674 (SGD 6,570)	3,246 (SGD 138)	3,602 (SGD 153)	
	YTH Company	Taiwan	Poultry farming and distribution	6,500	6,500	650,000	100	(1,024) (SGD (43))	(600) (SGD (25))	(600) (SGD (25))	
	KSNF Company	Malaysia	Layer farming	- (MYR -)	- (MYR -)	2	100	(118) (SGD (5))	(6) (SGD (-))	(6) (SGD (-))	
	KSA Company	Malaysia	Poultry farming and distribution	108,778 (MYR 12,600)	108,778 (MYR 12,600)	12,600,000	70	109,619 (SGD 4,597)	5,471 (SGD 232)	3,830 (SGD 162)	
	YKH Company	Malaysia	Investment holding	- (MYR -)	- (MYR -)	2	100	44 (SGD 2)	120 (SGD 5)	120 (SGD 5)	
	KSR Company	Malaysia	Property investment	6,261 (MYR 735)	6,261 (MYR 735)	735,000	49	6,285 (SGD 264)	602 (SGD 26)	295 (SGD 12)	
	KSO Company	Singapore	Processing and marking of seafood products	1,365 (SGD 60)	1,365 (SGD 60)	60,000	60	(6,424) (SGD (269))	(4,945) (SGD (210))	(2,967) (SGD (126))	
MKP Company	LKP Company	Malaysia	Processing and poultry distribution	60,976 (MYR 6,250)	60,976 (MYR 6,250)	4,000,000	100	23,465 (MYR 2,856)	1,033 (MYR 131)	1,033 (MYR 131)	
	MW Company	Malaysia	Property investment	5,949 (MYR 616)	5,949 (MYR 616)	616,000	100	5,848 (MYR 712)	46 (MYR 6)	46 (MYR 6)	
	KSJ Company	Malaysia	Manufacturing of poultry feed products	28,219 (MYR 3,000)	28,219 (MYR 3,000)	3,000,000	100	24,447 (MYR 2,976)	(17) (MYR (2))	(17) (MYR (2))	
YKH Company	KSR Company	Malaysia	Property investment	2,683 (MYR 315)	2,683 (MYR 315)	315,000	21	2,693 (MYR 328)	602 (SGD 26)	126 (SGD 5)	

Note: Offset in the preparation of the consolidated financial statements.

TABLE 5

KEE SONG BIO-TECHNOLOGY HOLDINGS LIMITED AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST $100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE MONTHS ENDED 31 MARCH 2016
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
MKP Company	KSB Company	Affiliated company	Sale	$ (133,254)	(90.80)	30 days	$ -	-	$ 18,889	36.11	