

TEO SENG CAPITAL BERHAD (732762-T)**NOTES TO THE QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2010****A. SELECTED EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD NO. 134 - INTERIM FINANCIAL REPORTING****A1 Basis of Preparation**

The financial statements are unaudited and have been prepared in accordance with Financial Reporting Standard No. 134 - Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the Audited Financial Statements of the Group for the year ended 31 March 2009 and the accompanying explanatory notes attached. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group.

The significant accounting policies and methods of computation adopted by the Group are consistent with those of the audited financial statements for the year ended 31 March 2009. The following Financial Reporting Standards (FRSs) and Interpretations were issued but not yet effective and have not been applied by the Group:

FRS 1	Amendments to FRS 1 First-time Adoption of Financial Reporting Standards
FRS 2	Amendments to FRS 2 Share-based Payment ó Vesting Conditions and Cancellations
FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
FRS 123	Borrowing Costs
FRS 127	Amendments to FRS 127 Consolidated and Separate Financial Statements: Cost of Investment in a Subsidiary, Jointly Controlled Entity or Associate
FRS 139	Financial Instruments: Recognition and Measurement
IC Int. 9	Reassessment of Embedded Derivatives
IC Int. 10	Interim Financial Reporting and Impairment
IC Int. 11	FRS 2 ó Group and Treasury Share Transactions
IC Int. 13	Customer Loyalty Programmes
IC Int. 14	FRS 119 ó The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoptions of the above FRSs and Interpretations upon their effective dates are not expected to have any significant impact on the interim financial statements of the Group.

A2 Auditors' Report

There was no qualification on the audited financial statements of the Company for the financial year ended 31 March 2009.

A3 Seasonal or Cyclical Factors

The principal business operations of the Group were not significantly affected by seasonal or cyclical factors.

A4 Unusual Items

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

A5 Changes in Estimates

There were no significant changes in the estimates reported in prior financial year, which have a material effect in the current period.

A6 Issuances, Cancellation, Repurchases, Resale & Repayments of Debts And Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debts and equity securities for the current financial year to date.

A7 Dividend Paid

A final single tier dividend of 4.25% or approximate RM1.7million in respect of the previous financial year ended 31 March 2009 was paid on 8 October 2009. Besides, an interim single tier dividend of 3.75% or approximate RM1.5million for the current financial year ending 31 March 2010 was paid on 6 January 2010.

A8 Segmental Reporting

The segment revenue and results for business segments for the current financial year to date are as follows:

Segmental Analysis - By Activities	Segment Revenue (RMø000)	Profit / (Loss) Before Taxation (RMø000)
a) Poultry Farming	149,760	15,476
b) Investment and Trading of animal health products	18,201	3,275
Total	167,961	18,751

A9 Valuation of Property, Plant & Equipment

The valuations of property, plant and equipment of the Group have been brought forward without amendments from the previous annual financial statements.

A10 Capital Commitments

Capital commitments as at end of the current quarter are as follows:

	Total RMø000
Contracted but not provided for	<u>2,049</u>
Approved but not contracted for	<u>11,809</u>

A11 Material Subsequent Events

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

A12 Effects of Changes in the Composition of the Group

There were no other significant changes in the composition of the Group during the current quarter including business combinations, acquisition or disposal of subsidiaries and long term investments, restructurings and discontinuing operations.

A13 Changes in Contingent Liabilities or Contingent Assets

There were no contingent liabilities and contingent assets other than the corporate guarantee of RM17.17 million given to the financial institutions, which upon becoming enforceable may have a material effect on the net assets, profits or financial position of our Group for the quarter under review.

A14 Related Party Transactions

	Current Quarter 3 Months Ended 31 Mar 2010 RMø000	Cumulative Quarter 12 Months Ended 31 Mar 2010 RMø000
Transactions with Related Companies		
Sales of eggs; sales of veterinary products, and sales of egg trays;	2,722	6,464
Purchase of day-old-chick and purchase of veterinary products;	1,175	4,203
Other services	18	51
Transactions with Related Parties		
Sales of veterinary products and sales of egg tray;	1,441	3,582
Purchase of raw material;	8,520	30,941
Transportation;	610	2,361
Other services	-	16

The above related party transactions have been entered into in the normal course of business at arms length.

B. ADDITIONAL INFORMATION AS REQUIRED BY BURSA SECURITIES MAIN MARKET LISTING REQUIREMENTS (APPENDIX 9B)**B1 Review of Performance of the Company and its principal subsidiaries**

The Company recorded a remarkable pre-tax profit of approximately RM 18.7 million on the back of revenue of RM 168.0 million for the period under review representing an increase of 30.1% in pre-tax profit as compared with the pre-tax profit of RM 14.4 million from the turnover of RM162.7 million (excluding the sales of RM18.6 million to Success Century Sdn Bhd which was not form part of the inter company sales before acquisition) in the preceding corresponding period ended 31 March 2009. It was mainly due to the higher sales quantity of eggs coupled with lower feed cost.

B2 Comparison with the Immediate Preceding Quarter's Results

	Current Quarter ended 31 Mar 2010 RMø000	Preceding Quarter ended 31 Dec 2009 RMø000	Variance RMø000	%
Revenue	39,675	43,697	(4,022)	(9.20)
Profit Before Tax	1,418	5,083	(3,665)	(72.10)

The decrease in the Group's revenue from RM43.7 million to RM39.7 million was mainly due to the depressed selling price of eggs subsequent to January 2010. As the result, the Group recorded profit before tax of RM1.4 million representing 72.1% lower than the preceding quarter.

B3 Current Year Prospects

In view of the recent unfavorable selling price of eggs offered by supermarket and hypermarket in the domestic market affecting the egg industry, the Board believes that the financial performance will be challenging for the financial year ending 31 March 2011.

B4 Variance from Profit Forecast and Profit Guarantee

This note is not applicable to the Group.

B5 Taxation

Major components of tax expense:

	Current Quarter Ended 31/3/2010 (RMø000)	Current Year To Date Ended 31/3/2010 (RMø000)
Current Year Provision	399	2,906
Under/(Over) Provision in respect of prior years	58	(31)
Deferred Taxation	(390)	220
Under/(Over) Provision in respect of prior years	500	500
Total	567	3,595

The Group's income tax for the current financial period to date reflects an effective tax rate which is lower than the statutory income tax rate due to the utilization of reinvestment allowance.

B6 Profit/(Losses) on Sales of Unquoted Investments and/or Properties

There were no disposal of unquoted investment and properties for the current quarter and financial year to date except a gain of RM76,500 on the disposal of fixed assets.

B7 Particulars Of Purchase Or Disposal Of Quoted Securities

a) There were no purchases or disposals of quoted shares by the Group for the current financial year to date.

b) Investment in quoted shares as at the end of the reporting period:

	RMø000
Investment at Cost	3
Investment at Carrying Value / Book Value	3
Investment at Market Value	3

B8 Corporate Proposals

There were no corporate proposals announced but not completed as at the date of this report.

B9 Group's Borrowings and Debt Securities

Detailed of Group's borrowings as at the end of reporting period:

	Secured (RMø000)	Unsecured (RMø000)	Total (RMø000)
Short-term borrowings	20,955	10,216	31,171
Hire Purchase ó Current	3,712	-	3,712
Hire Purchase ó Non-current	4,329	-	4,329
Long-term borrowings ó Current	451	729	1,180
Long-term borrowings ó Non-current	1,766	280	2,046
Total	31,213	11,225	42,438

All the Group's borrowings are denominated in Ringgit Malaysia.

B10 Off Balance Sheet Financial Instruments

There were no financial instruments with off balance sheet risk as at the reporting date.

B11 Material Litigations

There were no pending material litigations at the date of this report.

B12 Dividend Payable

The Board of Directors have proposed a final single-tier dividend of 4.25% amounting to approximate RM1.7 million in respect of the current financial year. The proposed final dividend is subject to the approval by the shareholders at the forthcoming Annual General Meeting of the Company.

B13 Earnings per Share

The basic earnings per share are computed by dividing the profit or loss for the period by the weighted average number of ordinary shares of the Group in issue during the period.

	Current Quarter Ended 31/3/2010	Preceding Year Corresponding Quarter 31/3/2009	Current Year To Date 31/3/2010	Preceding Year To Date 31/3/2009
Profit attributable to Ordinary Equity Holders of the Parent (RMø000)	851	5,526	15,156	12,618
Weighted average number of ordinary shares in issue (000)	200,000	200,000	200,000	177,680
Basic earnings per share (Sen)	0.43	2.76	7.58	7.10

B14 Authorisation for Issue

The interim financial statements were authorized for issue by the Board of Directors on May 19, 2010.