

TEO SENG CAPITAL BERHAD (732762-T)
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 SEPTEMBER 2010**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30 Sep 2010 RM'000	Preceding Year Corresponding Quarter 30 Sep 2009 RM'000	Current Year To Date 30 Sep 2010 RM'000	Preceding Year Corresponding Period 30 Sep 2009 RM'000
Revenue	49,552	43,125	93,270	84,589
Operating Expenses	(40,939)	(37,188)	(79,025)	(71,858)
Other Income	414	228	635	512
Finance Cost	(596)	(487)	(1,162)	(993)
Profit Before Taxation	<u>8,431</u>	<u>5,677</u>	<u>13,718</u>	<u>12,249</u>
Tax Expense	(1,492)	(527)	(2,591)	(2,028)
Profit for the period	<u>6,939</u>	<u>5,150</u>	<u>11,127</u>	<u>10,222</u>
Other Comprehensive Income:				
Fair Value adjustment for Available for Sale financial assets	2	-	2	-
Total comprehensive income for the period	<u>6,941</u>	<u>5,150</u>	<u>11,129</u>	<u>10,222</u>
Profit for the period attributable to:				
Equity holders of the parent	6,939	5,150	11,127	10,222
Non-controlling interest	-	-	-	-
	<u>6,939</u>	<u>5,150</u>	<u>11,127</u>	<u>10,222</u>
Total comprehensive income attributable to:				
Equity holders of the parent	6,941	5,150	11,129	10,222
Non-controlling interest	-	-	-	-
	<u>6,941</u>	<u>5,150</u>	<u>11,129</u>	<u>10,222</u>
Basic Earnings per share (sen)	<u>3.47</u>	<u>2.58</u>	<u>5.56</u>	<u>5.11</u>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2010

TEO SENG CAPITAL BERHAD (732762-T)
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at end of Current Quarter 30 September 2010 RM'000	As at Preceding Financial Year Ended 31 March 2010 RM'000 (Restated)
ASSETS		
Non-Current Assets		
Property, plant & equipment	95,443	92,133
Other investments	5	3
Intangible assets	3,084	3,084
	98,532	95,220
Current Assets		
Inventories	33,013	28,146
Trade receivables	15,970	13,641
Other receivables and prepaid expenses	2,828	2,420
Fixed deposit, bank and cash balances	10,757	8,843
	62,568	53,050
TOTAL ASSETS	161,100	148,270
EQUITY AND LIABILITIES		
Equity attributable to Equity Holders of the Parent		
Share capital	40,000	40,000
Reverses	50,294	40,865
	90,294	80,865
Non-controlling interest	-	-
TOTAL EQUITY	90,294	80,865
Non-Current Liabilities		
Term loan	1,532	2,046
Hire-purchase payable	3,129	4,329
Deferred tax liabilities	8,474	8,130
	13,135	14,505
Current Liabilities		
Trade payables	13,343	12,548
Other payables and accrued expenses	6,143	4,143
Derivative financial liabilities	-	27
Hire-purchase payable – current	3,679	3,712
Overdraft & short term borrowings	32,806	32,351
Dividend payable	1,700	-
Tax liabilities	-	119
	57,671	52,900
TOTAL LIABILITIES	70,806	67,405
TOTAL EQUITY AND LIABILITIES	161,100	148,270
Net assets per share attributable to Ordinary Equity Holders of the Parent (RM)	0.45	0.40

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Consolidated Financial Statements for the year ended 31 March 2010

TEO SENG CAPITAL BERHAD (732762-T)*(Incorporated in Malaysia)***UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Share Capital RM'000	Reverse Acquisition Reserves RM'000	Share Premium RM'000	Revaluation Reserves RM'000	Fair Value Reserves RM'000	Retained Earnings RM'000	Total RM'000	Non- controlling Interest RM'000	Total Equity RM'000
<i>6 months period ended 30 September 2010</i>									
Balance as at 01 April 2010 – as previously reported	40,000	(26,078)	8,011	4,032	-	54,927	80,892	-	80,892
Effect of adopting FRS 139	-	-	-	-	-	(27)	(27)	-	(27)
Balance as at 01 April 2010 – as restated	40,000	(26,078)	8,011	4,032	-	54,900	80,865	-	80,865
Dividend						(1,700)	(1,700)	-	(1,700)
Total Comprehensive Income for the period					2	11,127	11,129	-	11,129
Balance as at 30 September 2010	40,000	(26,078)	8,011	4,032	2	64,327	90,294	-	90,294
<i>6 months period ended 30 September 2009</i>									
Balance as at 01 April 2009	40,000	(26,078)	8,011	4,174	-	42,970	69,077	-	69,077
Total Comprehensive Income for the period	-	-	-	-	-	10,222	10,222	-	10,222
Balance as at 30 September 2009	40,000	(26,078)	8,011	4,174	-	53,192	79,299	-	79,299

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2010

TEO SENG CAPITAL BERHAD (732762-T)
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	Current Year To Date 30 Sep 2010 RM'000	Preceding Year To Date 30 Sep 2009 RM'000
Profit before taxation	13,718	12,249
Adjustments for Non-cash flow:		
Non-cash items	3,374	3,228
Non-operating items	1,125	857
Operating profit before working capital changes	18,217	16,334
Changes in working capital		
Net changes in current assets	(7,940)	(1,532)
Net changes in current liabilities	2,795	2,060
Cash generated from operations	13,072	16,862
Finance cost paid	(1,162)	(993)
Income tax paid	(1,891)	(1,293)
Net Cash Flow from Operating Activities	10,019	14,576
Investing Activities		
Interest income received	37	35
Proceeds from disposal of property, plant and equipment	-	7
Purchase of property, plant and equipment	(6,449)	(4,819)
Fixed deposits pledged to bank	2	(110)
Net Cash Flow from / (used in) Investing Activities	(6,410)	(4,887)
Financing Activities		
Bank borrowings	(266)	(8,059)
Net Cash Flow from / (used in) Financing Activities	(266)	(8,059)
Net changes in cash and cash equivalents	3,343	1,630
Cash and cash equivalents at the beginning of financial period	4,711	6,832
Cash and cash equivalents at end of period	8,054	8,462
Cash and cash equivalents comprise:		
Bank and cash balances	8,679	8,947
Fixed deposits	2,078	2,672
Bank overdraft	(1,209)	(485)
	9,548	11,134
Less: fixed deposits pledged	(1,494)	(2,672)
	8,054	8,462

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the year ended 30 March 2010

TEO SENG CAPITAL BERHAD (732762-T)**NOTES TO THE QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND FINANCIAL QUARTER ENDED 30 SEPTEMBER 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 (FRS) 134 - Interim Financial Reporting and Paragraph 9.22 of the Main Market 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 2010 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.

A2 Changes in Accounting Policies

The significant accounting policies and methods of computation adopted by the Group in these interim financial statements are consistent with those adopted in the preparation of the audited financial statements of the Group for the year ended 31 March 2010 except for the adoption of the following new and revised Financial Reporting Standards ("FRSs) effective on 01 January 2010:

FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
FRS 101	Presentation of Financial Statements (Revised 2009)
FRS 123	Borrowing Costs
FRS 139	Financial Instruments: Recognition and Measurement

Other than the above new accounting standards, the Group has also adopted the various amendments to the existing accounting standards.

The adoptions of the above FRSs and amendments to FRSs upon their effective dates are not expected to have any significant impact on the interim financial statements of the Group except for the followings:

a) FRS 101(Revised): Presentation of Financial Statements

The Group applies revised FRS 101 (2009) which became effective as of 01 January 2010. As the result, the Group presents all non-owner changes in equity in the consolidated statement of comprehensive income.

Comparative information has been re-presented so that it is in conformity with the revised standard. Since the change only affects the presentation aspects, there is no impact on earnings per share.

b) Amendments to FRS 117: Leases

The adoption of the Amendment to FRS 117 has resulted in retrospective change in the accounting policy relating to the classification of the leasehold land. With the adoption of the Amendment to FRS 117, the classification of a leasehold land as finance lease or operating lease is based on the extent of which risks and rewards incident to ownership. Accordingly, the Group changed the classification of long term leasehold land from operating lease to finance lease in the current quarter. The following comparative balances have been restated on the face of statement of financial position:

<u>31 March 2010</u>	As previously reported RM'000	Reclassification RM'000	As restated RM'000
Property, plant and equipment	90,278	1,855	92,133
Prepaid lease payments	1,855	(1,855)	--

c) **FRS 139: Financial Instruments – Recognition and Measurement**

Prior to the adoption of FRS 139, financial derivatives were recognized on their settlement dates. Outstanding derivatives at the balance sheet date were not recognized. With the adoption of FRS 139, all financial assets and financial liabilities including derivatives are recognized at the contract dates when and only when the Company or any subsidiary becomes a party to the contractual provisions of the instruments.

In accordance with FRS 139, the recognition, derecognition, measurement and hedge accounting requirements are applied prospectively from 01 April 2010. The effects of the remeasurement on 01 April 2010 of the financial assets and financial liabilities brought forward from the previous financial year are adjusted to the opening retained earnings and other opening reserves as disclosed in the statement of change in equity.

The application of the above new policy has the following effects:

	Retained earnings RM'000
At 01 April 2010 – as previously reported	54,927
Adjustment arising from adoption of FRS 139	(27)
- Recognition of derivatives previously not recognized	<u> </u>
At 01 April 2010 – restated	<u>54,900</u>

A3 Auditors' Report

There was no qualification on the audited financial statements of the Company for the financial year ended 31 March 2010.

A4 Seasonal or Cyclical Factors

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

A5 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.

A6 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.

A7 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.

A8 Dividend Paid

There was no dividend paid in the current quarter under review.

A9 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 (RM'000)	Profit Before Taxation (RM'000)
a) Poultry Farming	82,985	12,047
b) Investment and Trading of animal health products	10,285	1,671
Total	93,270	13,718

A10 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.

A11 Capital Commitments

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

	Total RM'000
Contracted but not provided for	<u>410</u>
Approved but not contracted for	<u>7,889</u>

A12 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.

A13 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.

A14 Changes in Contingent Liabilities or Contingent Assets

There were no contingent liabilities and contingent assets other than the corporate guarantee of RM27.83 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.

A15 Related Party Transactions

	Current Quarter 3 Months Ended 30 Sep 2010 RM'000	Cumulative Quarter 6 Months Ended 30 Sep 2010 RM'000
Sales of eggs, veterinary products and egg trays;	7,592	12,176
Purchase of day-old-chick, veterinary products and raw materials;	2,185	10,203
Transportation;	626	1,283
Other services	27	40

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 Group recorded a pre-tax profit of approximately RM13.7 million on the back of revenue of RM93.3 million for the period under review as compared with the pre-tax profit of RM12.2 million from the turnover of RM84.6 in the preceding corresponding period ended 30 September 2009. It was mainly due to the better selling price of eggs coupled with the increase in egg production in line with our expansion projects in layer farming operation.

B2 Comparison with the Immediate Preceding Quarter's Results

	Current Quarter ended 30 Sep 2010 RM'000	Preceding Quarter ended 30 June 2010 RM'000	Variance RM'000	%
Revenue	49,552	43,718	5,834	13.3
Profit Before Tax	8,431	5,287	3,144	59.5

The increase of approximately 13.3% in the Group's revenue from RM43.7 million to RM49.6 million was due to the prolonged improved selling price of eggs and lower feed cost in the current quarter under review, the Group recorded an impressive profit before tax of RM8.4 million representing 59.5% higher than the preceding quarter.

B3 Current Year Prospects

In view of the recent stabled selling price of eggs coupled with our on-going expansion projects, the Directors remain positive with the Group's prospects for the remaining period ended 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 30 Sep 2010 (RM'000)	Current Year To Date Ended 30 Sep 2010 (RM'000)
Current Year Provision	1,381	2,247
Under/(Over) Provision in respect of prior years	-	-
Deferred Taxation	111	344
Total	1,492	2,591

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.

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:

	RM'000
Investment at Cost	3
Investment at Carrying Value / Book Value	3
Investment at Market Value	5

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 (RM'000)	Unsecured (RM'000)	Total (RM'000)
Short-term borrowings	23,444	8,250	31,694
Hire Purchase – Current	3,679	-	3,679
Hire Purchase – Non-current	3,129	-	3,129
Long-term borrowings – Current	463	649	1,112
Long-term borrowings – Non-current	1,532	-	1,532
Total	32,247	8,899	41,146

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

A final single-tier dividend of 4.25% equivalent to RM1,700,000 was paid on 16 November 2010 for the preceding financial year ended 31 March 2010. Besides, the Board of Directors have further declared an interim single-tier dividend of 4.25% amounting to approximate RM1,700,000 in respect of the current financial year.

B13 Earnings per Share

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

	Current Quarter Ended 30 Sep 2010	Preceding Year Corresponding Quarter 30 Sep 2009	Current Year To Date 30 Sep 2010	Preceding Year To Date 30 Sep 2009
Profit attributable to Ordinary Equity Holders of the Parent (RM'000)	6,939	5,150	11,127	10,222
Number of ordinary shares in issue (000)	200,000	200,000	200,000	200,000
Basic earnings per share (Sen)	3.47	2.58	5.56	5.11

B14 Authorisation for Issue

The interim financial statements were authorized for issue by the Board of Directors on 25 November 2010.