

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 MARCH 2011**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31 Mar 2011 RM'000	Preceding Year Corresponding Quarter 31 Mar 2010 RM'000	Current Year To Date 31 Mar 2011 RM'000	Preceding Year Corresponding Period 31 Mar 2010 RM'000
Revenue	58,578	39,675	207,490	167,961
Operating Expenses	(53,972)	(37,798)	(179,767)	(148,140)
Other Income	354	25	1,418	868
Finance Cost	(666)	(483)	(2,426)	(1,937)
Profit Before Taxation	<u>4,294</u>	<u>1,419</u>	<u>26,715</u>	<u>18,752</u>
Tax Expense	294	(567)	(4,668)	(3,595)
Profit for the period	<u>4,588</u>	<u>852</u>	<u>22,047</u>	<u>15,157</u>
Other Comprehensive Income:				
Fair Value adjustment for Available for Sale financial assets	-	-	2	-
Currency translation differences	(4)	-	(4)	-
Total comprehensive income for the period	<u>4,584</u>	<u>852</u>	<u>22,045</u>	<u>15,157</u>
Profit for the period attributable to:				
Equity holders of the parent	4,588	852	22,047	15,157
Non-controlling interest	-	-	-	-
	<u>4,588</u>	<u>852</u>	<u>22,047</u>	<u>15,157</u>
Total comprehensive income attributable to:				
Equity holders of the parent	4,584	852	22,045	15,157
Non-controlling interest	-	-	-	-
	<u>4,584</u>	<u>852</u>	<u>22,045</u>	<u>15,157</u>
Basic Earnings per share (sen)	<u>2.29</u>	<u>0.43</u>	<u>11.02</u>	<u>7.58</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 31 March 2011 RM'000	As at Preceding Financial Year Ended 31 March 2010 RM'000 (Restated)
ASSETS		
Non-Current Assets		
Property, plant & equipment	104,639	92,133
Other investments	5	3
Intangible assets	-	3,084
	104,644	95,220
Current Assets		
Inventories	30,885	28,146
Trade receivables	18,754	13,641
Other receivables and prepaid expenses	5,926	2,420
Fixed deposit, bank and cash balances	22,891	8,843
	78,456	53,050
TOTAL ASSETS	183,100	148,270
EQUITY AND LIABILITIES		
Equity attributable to Equity Holders of the Parent		
Share capital	40,000	40,000
Reverses	59,510	40,865
	99,510	80,865
Non-controlling interest	-	-
TOTAL EQUITY	99,510	80,865
Non-Current Liabilities		
Term loan	3,870	2,046
Hire-purchase payable	3,960	4,329
Deferred tax liabilities	8,778	8,130
	16,608	14,505
Current Liabilities		
Trade payables	14,080	12,548
Other payables and accrued expenses	4,715	4,143
Derivative financial liabilities	1	27
Hire-purchase payable – current	4,380	3,712
Overdraft & short term borrowings	43,806	32,351
Tax liabilities	-	119
	66,982	52,900
TOTAL LIABILITIES	83,590	67,405
TOTAL EQUITY AND LIABILITIES	183,100	148,270
Net assets per share attributable to Ordinary Equity Holders of the Parent (RM)	0.50	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	Translation Reserves RM'000	Retained Earnings RM'000	Total RM'000	Non- controlling Interest RM'000	Total Equity RM'000
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						-	(3,400)	(3,400)	-	(3,400)
Total Comprehensive Income for the period					2	(4)	22,047	22,045	-	22,045
Balance as at 31 Mar 2011	40,000	(26,078)	8,011	4,032	2	(4)	73,547	99,510	-	99,510
Balance as at 01 April 2009	40,000	(26,078)	8,011	4,174	-	-	42,970	69,077	-	69,077
Effect of changes in tax rate	-	-	-	(142)	-	-	-	(142)	-	(142)
Dividend	-	-	-	-	-	-	(3,200)	(3,200)	-	(3,200)
Total Comprehensive Income for the period						-	15,157	15,157	-	15,157
Balance as at 31 Mar 2010	40,000	(26,078)	8,011	4,032	-	-	54,927	80,892	-	80,892

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 31 Mar 2011 RM'000	Preceding Year To Date 31 Mar 2010 RM'000
Profit before taxation	26,715	18,752
Adjustments for Non-cash flow:		
Non-cash items	11,550	6,758
Non-operating items	2,263	1,835
Operating profit before working capital changes	40,528	27,345
Changes in working capital		
Net changes in current assets	(7,398)	(2,829)
Net changes in current liabilities	(2,856)	1,985
Cash generated from operations	30,274	26,501
Finance cost paid	(2,426)	(1,937)
Income tax paid	(4,873)	(3,371)
Net Cash Flow from Operating Activities	22,975	21,193
Investing Activities		
Interest income received	85	80
Proceeds from disposal of property, plant and equipment	25	77
Purchase of property, plant and equipment	(16,343)	(11,409)
Fixed deposits pledged to bank	(19)	1,066
Acquisition of subsidiary company	341	-
Net Cash Flow from / (used in) Investing Activities	(15,911)	(10,186)
Financing Activities		
Bank borrowings	11,732	(9,950)
Dividend paid	(3,400)	(3,200)
Net Cash Flow from / (used in) Financing Activities	8,332	(13,150)
Net changes in cash and cash equivalents	15,396	(2,143)
Cash and cash equivalents at the beginning of financial period	4,711	6,832
Effect of exchange difference	-	22
Cash and cash equivalents at end of period	20,107	4,711
Cash and cash equivalents comprise:		
Bank and cash balances	20,786	6,767
Fixed deposits	2,105	2,076
Bank overdraft	(1,269)	(2,636)
	21,622	6,207
Less: fixed deposits pledged	(1,515)	(1,496)
	20,107	4,711

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the year ended 30 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 (FRS) 134 - Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The 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 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 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 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 financial year. 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

A final single tier dividend of 4.25% or equivalent to approximate RM1,700,000 in respect of the previous financial year ended 31 March 2010 was paid on 16 November 2010. Besides, an interim single tier dividend of 4.25% or approximate RM1,700,000 for the current financial year ending 31 March 2011 was paid on 17 February 2011.

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	178,899	23,327
b) Investment and Trading of animal health products	28,591	3,388
Total	207,490	26,715

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>11,834</u>
Approved but not contracted for	<u>1,133</u>

A12 Material Subsequent Events

Teo Seng Farming Sdn Bhd, a wholly owned subsidiary company of Teo Seng had on 22 April 2011 entered into a Share Sale Agreement with Tan Chau King and Tan Hock Hao to acquire 150,002 ordinary shares of RM1.00 each in Forever Best Supply Sdn Bhd representing 60% of the issue and paid up capital for a total consideration of RM1,076,482.60.

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 except the company has on 4 March 2011 acquired 100% entire equity interest in Premium Egg Products Pte Ltd (formerly known as Lee Say Egg Products Pte Ltd), a company incorporated in Singapore for a total purchase consideration of SGD100,002 or equivalent to RM240,005.

A14 Changes in Contingent Liabilities or Contingent Assets

There were no contingent liabilities and contingent assets other than the corporate guarantee of RM71.14 million given to the financial institutions for credit facilities granted to subsidiary companies.

A15 Related Party Transactions

	Current Quarter 3 Months Ended 31 Mar 2011 RM'000	Cumulative Quarter 12 Months Ended 31 Mar 2011 RM'000
Sales of eggs, veterinary products and egg trays;	3,139	23,283
Purchase of day-old-chick, veterinary products and raw materials;	2,447	17,412
Transportation;	645	2,801
Other services	19	72

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 an impressive pre-tax profit of approximately RM26.7 million on the back of revenue of RM207.5 million for the period under review, representing an increase of 42.5% in pre-tax profit and 23.5% in revenue as compared with the pre-tax profit of RM18.8 million from the revenue of RM168.0 in the preceding corresponding period ended 31 Mar 2010. It was mainly due to the improved better selling price and coupled with the increase in sales quantity of eggs as the result of expanding our layer farming's capacity.

B2 Comparison with the Immediate Preceding Quarter's Results

	Current Quarter ended 31 Mar 2011 RM'000	Preceding Quarter ended 31 Dec 2010 RM'000	Variance RM'000	%
Revenue	58,578	55,642	2,936	5.3
Profit Before Tax	4,294	8,703	(4,409)	(50.7)

The Group's revenue increased from RM55.6 million to RM58.6 million was mainly due to the increase in sales quantity in the current quarter. The Group recorded a lower profit before tax of RM4.3 million in the current quarter was mainly due to written off goodwill amounted to RM4.2 million.

B3 Current Year Prospects

In view of the recent stable selling price of eggs, the Directors are remains optimistic with the Group's financial performance for the forthcoming financial year ending 31 March 2012.

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 Mar 2011 (RM'000)	Current Year To Date Ended 31 Mar 2011 (RM'000)
Current Year Provision	16	4,286
Under/(Over) Provision in respect of prior years	(393)	(217)
Deferred Taxation	83	599
Total	(294)	4,668

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 RM25,000 on the disposal of properties other than in the ordinary course of business.

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 save as disclosed in A12 and the following:

The company has received a letter from Emerging Glory Sdn Bhd (“EGSB”) informing that the Securities Commission, had vide its letter to EGSB dated 4 May 2011, issued a ruling that EGSB would incur a Mandatory Offer Obligation for the remaining shares in Teo Seng pursuant to the Proposed Acquisition of entire business and undertakings of Leong Hup Holdings Berhad.

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	24,315	18,315	42,630
Hire Purchase – Current	4,380	-	4,380
Hire Purchase – Non-current	3,960	-	3,960
Long-term borrowings – Current	897	279	1,176
Long-term borrowings – Non-current	3,870	-	3,870
Total	37,422	18,594	56,016

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

B10 Financial Instruments

As at 31 March 2011, the foreign currency contracts which have been entered into by the Group to hedge its foreign purchases in foreign currency are as follows:

Forward foreign currency contracts	Notional value (RM'000)	Fair value (RM'000)	Fair value Changes (RM'000)
US Dollar (USD)-less than 1 year	309	308	(1)

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 7.0% amounting to approximate RM2,800,000 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 Realised and Unrealised Profits/Loss

	As at end of the Current Quarter Ended 31 Mar 2011 (RM'000)	As at end of the Preceding Quarter Ended 31 Dec 2010 (RM'000)	As at end of the Previous Financial Year Ended 31 Mar 2010 (RM'000)
Total retained profit:			
Realised profit	81,235	76,498	Not Applicable
Unrealised gain/(loss)	(7,688)	(7,539)	
	73,547	68,959	

B14 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 31 Mar 2011	Preceding Year Corresponding Quarter 31 Mar 2010	Current Year To Date 31 Mar 2011	Preceding Year To Date 31 Mar 2010
Profit attributable to Ordinary Equity Holders of the Parent (RM'000)	4,588	852	22,047	15,157
Number of ordinary shares in issue (000)	200,000	200,000	200,000	200,000
Basic earnings per share (Sen)	2.29	0.43	11.02	7.58

B15 Authorisation for Issue

The financial statements were authorized for issue by the Board of Directors on 30 May 2011.