

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 30 JUNE 2011**

|   | Individual Quarter                                |  | Cumulative Quarter                                |   |
|---|---|--|---|---|
|   | Current Year<br>Quarter<br>30 June 2011<br>RM'000 | Preceding Year<br>Corresponding<br>Quarter<br>30 June 2010<br>RM'000 | Current Year<br>To Date<br>30 June 2011<br>RM'000 | Preceding Year<br>Corresponding<br>Period<br>30 June 2010<br>RM'000 |
| Revenue   | 61,275  | 43,718   | 61,275  | 43,718  |
| Operating Expenses  | (54,816)  | (38,086)   | (54,816)  | (38,086)  |
| Other Income  | 678   | 221  | 678   | 221   |
| Finance Cost  | (771)   | (566)  | (771)   | (566)   |
| Profit Before Taxation  | <u>6,366</u>                                      | <u>5,287</u>   | <u>6,366</u>                                      | <u>5,287</u>  |
| Tax Expense   | (1,649)   | (1,099)  | (1,649)   | (1,099)   |
| Profit for the period   | <u>4,717</u>                                      | <u>4,188</u>   | <u>4,717</u>                                      | <u>4,188</u>  |
| Other Comprehensive<br>Income:                                      |   |  |   |   |
| Fair Value adjustment for<br>Available for Sale financial<br>assets | 1   | -  | 1   | -   |
| Currency translation<br>differences                                 | 20  | -  | 20  | -   |
| <b>Total comprehensive<br/>income for the period</b>                | <u><b>4,738</b></u>                               | <u><b>4,188</b></u>  | <u><b>4,738</b></u>                               | <u><b>4,188</b></u>   |
| Profit for the period<br>attributable to:                           |   |  |   |   |
| Equity holders of the parent  | 4,760   | 4,188  | 4,760   | 4,188   |
| Non-controlling interest  | (43)  | -  | (43)  | -   |
|   | <u>4,717</u>                                      | <u>4,188</u>   | <u>4,717</u>                                      | <u>4,188</u>  |
| Total comprehensive<br>income attributable to:                      |   |  |   |   |
| Equity holders of the parent  | 4,781   | 4,188  | 4,781   | 4,188   |
| Non-controlling interest  | (43)  | -  | (43)  | -   |
|   | <u>4,738</u>                                      | <u>4,188</u>   | <u>4,738</u>                                      | <u>4,188</u>  |
| Basic Earnings per share<br>(sen)                                   | <u>2.38</u>                                       | <u>2.09</u>  | <u>2.38</u>                                       | <u>2.09</u>   |

*The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2011*

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

|  | As at end of Current<br>Quarter<br>30 June 2011<br>RM'000 | As at Preceding<br>Financial Year Ended<br>31 March 2011<br>RM'000 |
|--|---|--|
| <b>ASSETS</b>  |   |  |
| <b>Non-Current Assets</b>  |   |  |
| Property, plant & equipment  | 110,898   | 104,163  |
| Investment property  | 474   | 476  |
| Other investments  | 6   | 5  |
|  | 111,378   | 104,644  |
| <b>Current Assets</b>  |   |  |
| Inventories  | 32,009  | 30,885   |
| Trade receivables  | 21,600  | 19,156   |
| Other receivables and prepaid expenses   | 5,779   | 5,534  |
| Derivative financial asset   | 6   | -  |
| Fixed deposit, bank and cash balances  | 23,144  | 22,891   |
|  | 82,538  | 78,466   |
| <b>TOTAL ASSETS</b>  | <b>193,916</b>  | <b>183,110</b>   |
| <b>EQUITY AND LIABILITIES</b>  |   |  |
| Equity attributable to Equity Holders of the Parent                                |   |  |
| Share capital  | 40,000  | 40,000   |
| Reverses   | 64,339  | 59,558   |
|  | 104,339   | 99,558   |
| Non-controlling interest   | 256   | -  |
| <b>TOTAL EQUITY</b>  | 104,595   | 99,558   |
| <b>Non-Current Liabilities</b>   |   |  |
| Term loan  | 3,623   | 3,846  |
| Hire-purchase payable  | 4,142   | 3,961  |
| Deferred tax liabilities   | 8,714   | 8,730  |
|  | 16,479  | 16,537   |
| <b>Current Liabilities</b>   |   |  |
| Trade payables   | 12,074  | 11,839   |
| Other payables and accrued expenses  | 8,404   | 6,967  |
| Derivative financial liabilities   | -   | 1  |
| Hire-purchase payable – current  | 4,916   | 4,378  |
| Overdraft & short term borrowings  | 47,448  | 43,830   |
|  | 72,842  | 67,015   |
| <b>TOTAL LIABILITIES</b>   | 89,321  | 83,552   |
| <b>TOTAL EQUITY AND LIABILITIES</b>  | <b>193,916</b>  | <b>183,110</b>   |
| Net assets per share attributable to Ordinary Equity<br>Holders of the Parent (RM) | 0.52  | 0.50   |

*The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Consolidated Financial Statements for the year ended 31 March 2011*

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

|   | Share<br>Capital<br>RM'000 | Reverse<br>Acquisition<br>Reserves<br>RM'000 | Share<br>Premium<br>RM'000 | Revaluation<br>Reserves<br>RM'000 | Fair Value<br>Reserves<br>RM'000 | Translation<br>Reserves<br>RM'000 | Retained<br>Earnings<br>RM'000 | Total<br>RM'000 | Non-<br>controlling<br>Interest<br>RM'000 | Total<br>Equity<br>RM'000 |
|---|----------------------------|--|----------------------------|-----------------------------------|----------------------------------|-----------------------------------|--------------------------------|-----------------|---|---------------------------|
| Balance as at 1 April 2011                          | 40,000                     | (26,078)                                     | 8,011                      | 4,032                             | 2                                | (15)                              | 73,606                         | 99,558          | -   | 99,558                    |
| Total Comprehensive Income for the period           |                            |  |                            |                                   | 1                                | 20                                | 4,760                          | 4,781           | 256                                       | 5,037                     |
| Balance as at 30 June 2011                          | 40,000                     | (26,078)                                     | 8,011                      | 4,032                             | 3                                | 5                                 | 78,366                         | 104,339         | 256                                       | 104,595                   |
| Balance as at 1 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 1 April 2010 – restated               | 40,000                     | (26,078)                                     | 8,011                      | 4,032                             | -                                | -                                 | 54,900                         | 80,865          | -   | 80,865                    |
| Total Comprehensive Income for the period           |                            |  |                            |                                   |                                  |                                   | 4,188                          | 4,188           | -   | 4,188                     |
| Balance as at 30 June 2010                          | 40,000                     | (26,078)                                     | 8,011                      | 4,032                             | -                                | -                                 | 59,088                         | 85,053          | -   | 85,053                    |

*The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2011*

**TEO SENG CAPITAL BERHAD (732762-T)***(Incorporated in Malaysia)***UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**

|   | Current Year<br>To Date<br>30 June 2011<br>RM'000 | Preceding Year<br>To Date<br>30 June 2010<br>RM'000 |
|---|---|---|
| Profit before taxation  | 6,366   | 5,287   |
| Adjustments for Non-cash flow:  |   |   |
| Non-cash items  | 2,698   | 1,839   |
| Non-operating items   | 746   | 547   |
| Operating profit before working capital changes                       | 9,810   | 7,673   |
| Changes in working capital  |   |   |
| Net changes in current assets   | (2,627)   | (7,520)   |
| Net changes in current liabilities                                    | (40)  | 2,620   |
| Cash generated from operations  | 7,143   | 2,773   |
| Finance cost paid   | (771)   | (566)   |
| Income tax paid   | (1,370)   | (954)   |
| <b>Net Cash Flow from Operating Activities</b>                        | <b>5,002</b>                                      | <b>1,253</b>  |
| <b>Investing Activities</b>   |   |   |
| Interest income received  | 24  | 18  |
| Proceeds from disposal of property, plant and equipment               | 56  | -   |
| Purchase of property, plant and equipment                             | (3,168)   | (2,788)   |
| Fixed deposits pledged to bank  | (430)   | 6   |
| Acquisition of subsidiary company                                     | (704)   |   |
| <b>Net Cash Flow from / (used in) Investing Activities</b>            | <b>(4,222)</b>                                    | <b>(2,764)</b>                                      |
| <b>Financing Activities</b>   |   |   |
| Bank borrowings   | (760)   | 566   |
| <b>Net Cash Flow from / (used in) Financing Activities</b>            | <b>(760)</b>                                      | <b>566</b>  |
| <b>Net changes in cash and cash equivalents</b>                       | <b>20</b>   | <b>(945)</b>  |
| <b>Cash and cash equivalents at the beginning of financial period</b> | <b>20,107</b>                                     | <b>4,132</b>  |
| <b>Cash and cash equivalents at end of period</b>                     | <b>20,127</b>                                     | <b>3,187</b>  |
| <b>Cash and cash equivalents comprise:</b>                            |   |   |
| Bank and cash balances  | 20,668  | 6,197   |
| Fixed deposits  | 2,476   | 2,069   |
| Bank overdraft  | (1,072)   | (3,010)   |
|   | 22,072  | 5,256   |
| Less: fixed deposits pledged  | (1,945)   | (2,069)   |
|   | <b>20,127</b>                                     | <b>3,187</b>  |

*The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the year ended 30 March 2011*

**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 2011 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 2011 except for the adoption of the following new and revised Financial Reporting Standards ("FRSs) effective on 01 January 2011:

FRSs and IC interpretations

Revised FRS 1 First-time Adoption of Financial Reporting Standards

Revised FRS 3 Business Combinations

Revised FRS 127 Consolidated and Separate Financial Statements

Amendments to FRS 1 Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters

Amendments to FRS 1 Additional Exemptions for First-time Adopters

Amendments to FRS 2 Scope of FRS 2 and Revised FRS 3 (2010)

Amendments to FRS 2 Group Cash-settled Share-based Payment Transactions

Amendments to FRS 5 Plan to Sell the Controlling Interest in a Subsidiary

Amendments to FRS 7 Improving Disclosures about Financial Instruments

Amendments to FRS 138 Consequential Amendments Arising from Revised FRS 3 (Revised)

IC Interpretation 4 Determining Whether An Arrangement Contains A Lease

IC Interpretation 12 Service Concession Arrangements

IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation

IC Interpretation 17 Distributions of Non-cash Assets to Owners

IC Interpretation 18 Transfer of Assets from Customers

Annual Improvements to FRSs (2010)

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.

**A3 Auditors' Report**

There was no qualification on the audited financial statements of the Company for the financial year ended 31 March 2011.

**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<br>- By Activities               | Segment<br>Revenue<br>(RM'000) | Profit<br>Before Taxation<br>(RM'000) |
|---|--------------------------------|---------------------------------------|
| a) Poultry Farming                                  | 47,710                         | 5,864                                 |
| b) Investment and Trading of animal health products | 13,565                         | 502                                   |
| Total   | 61,275                         | 6,366                                 |

**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<br>RM'000 |
|---------------------------------|-----------------|
| Contracted but not provided for | <u>8,693</u>    |
| Approved but not contracted for | <u>842</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 except 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 60% equity interest in Forever Best Supply Sdn Bhd, for a total purchase consideration of RM1,076,482.60 and the acquisition was completed on 15 June 2011.

**A14 Changes in Contingent Liabilities or Contingent Assets**

There were no contingent liabilities and contingent assets other than the corporate guarantee of RM95.49 million given to the financial institutions for credit facilities granted to subsidiary companies.

**A15 Related Party Transactions**

|   | Current Quarter<br>3 Months Ended<br>30 June 2011<br>RM'000 | Cumulative Quarter<br>3 Months Ended<br>30 June 2011<br>RM'000 |
|---|---|--|
| Sales of eggs, veterinary products and egg trays;                 | 2,380   | 2,380  |
| Purchase of day-old-chick, veterinary products and raw materials; | 4,109   | 4,109  |
| Transportation;   | 838   | 838  |
| Other services  | 18  | 18   |

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 better pre-tax profit of approximately RM6.4 million on the back of revenue of RM61.3 million for the period under review, representing an increase of 20.4% in pre-tax profit and 40.2% in revenue as compared with the pre-tax profit of RM5.3 million from the revenue of RM43.7 million in the preceding corresponding period ended 30 June 2010. It was mainly due to the better selling price of eggs and coupled with the increase in sales quantity of eggs as the result of the expansion of our layer farming operation and stable contribution from selling of animal health products.

**B2 Comparison with the Immediate Preceding Quarter's Results**

|                   | Current Quarter<br>ended<br>30 June 2011<br>RM'000 | Preceding<br>Quarter ended<br>31 Mar 2011<br>RM'000 | Variance<br>RM'000 | %    |
|-------------------|--|---|--------------------|------|
| Revenue           | 61,275   | 58,579  | 2,696              | 4.6  |
| Profit Before Tax | 6,366  | 4,306   | 2,060              | 47.8 |

The Group's revenue increased from RM58.6 million to RM61.3 million was due to the increase in sales quantity in the current quarter. The Group recorded a higher profit before tax of RM6.4 million in the current quarter as compared with the pre-tax profit of RM4.3 million in previous quarter.

**B3 Current Year Prospects**

In view of the recent stable selling price of eggs in domestic market coupled with direct marketing strategy to Singapore market, the Directors are remains positive with the Group's financial performance for the remaining nine (9) months period 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<br>Ended<br>30 June 2011<br>(RM'000) | Current Year<br>To Date Ended<br>30 June 2011<br>(RM'000) |
|--|--|---|
| Current Year Provision                           | 1,668  | 1,668   |
| Under/(Over) Provision in respect of prior years |  |   |
| Deferred Taxation                                | (19)   | (19)  |
| Total  | 1,649  | 1,649   |

The Group's income tax for the current financial period to date reflects an effective tax rate which is slightly higher than the statutory income tax rate due to the certain non-deductible expenses.

**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 RM56,000 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                | 6      |

**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<br>(RM'000) | Unsecured<br>(RM'000) | Total<br>(RM'000) |
|------------------------------------|---------------------|-----------------------|-------------------|
| Short-term borrowings              | 15,760              | 29,929                | 45,689            |
| Hire Purchase – Current            | 4,916               | -                     | 4,916             |
| Hire Purchase – Non-current        | 4,142               | -                     | 4,142             |
| Long-term borrowings – Current     | 1,669               | 90                    | 1,759             |
| Long-term borrowings – Non-current | 3,623               |                       | 3,623             |
| Total                              | 30,110              | 30,019                | 60,129            |

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<br>(RM'000) | Fair value<br>(RM'000) | Fair value Changes<br>(RM'000) |
|------------------------------------|----------------------------|------------------------|--------------------------------|
| US Dollar (USD)-less than 1 year   | 548                        | 554                    | 6                              |

**B11 Material Litigations**

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

**B12 Dividend Payable**

The Board of Directors do not recommend any interim dividend for the financial quarter under review.

**B13 Realised and Unrealised Profits/Loss**

|                        | As at end of the<br>Current Quarter<br>Ended<br>30 June 2011<br>(RM'000) | As at end of the<br>Preceding Quarter<br>Ended<br>31 Mar 2011<br>(RM'000) | As at end of the<br>Previous Financial<br>Year Ended<br>30 June 2010<br>(RM'000) |
|------------------------|--|---|--|
| Total retained profit: |  |   |  |
| Realised profit        | 85,964   | 82,502  | Not Applicable   |
| Unrealised gain/(loss) | (7,598)  | (8,896)   |  |
|                        | 78,366   | 73,606  |  |

**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<br>Quarter<br>Ended<br>30 June 2011 | Preceding Year<br>Corresponding<br>Quarter<br>30 June 2010 | Current<br>Year<br>To Date<br>30 June 2011 | Preceding<br>Year<br>To Date<br>30 June 2010 |
|---|---|--|--|--|
| Profit attributable to Ordinary<br>Equity Holders of the Parent<br>(RM'000) | 4,760                                       | 4,188  | 4,760                                      | 4,188  |
| Number of ordinary shares in<br>issue (000)                                 | 200,000                                     | 200,000  | 200,000                                    | 200,000                                      |
| Basic earnings per share<br>(Sen)   | 2.38  | 2.09   | 2.38                                       | 2.09   |

**B15 Authorisation for Issue**

The financial statements were authorized for issue by the Board of Directors on 24 August 2011.