

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

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31 Dec 2011 RM'000	31 Dec 2010 RM'000	31 Dec 2011 RM'000	31 Dec 2010 RM'000
Revenue	74,063	55,642	201,673	148,912
Operating Expenses	(63,617)	(46,770)	(179,354)	(125,795)
Other Income	307	429	1,317	1,064
Finance Cost	(817)	(598)	(2,424)	(1,760)
Profit Before Taxation	<u>9,936</u>	<u>8,703</u>	<u>21,212</u>	<u>22,421</u>
Tax Expense	(2,894)	(2,371)	(6,034)	(4,962)
Profit for the period	<u>7,042</u>	<u>6,332</u>	<u>15,178</u>	<u>17,459</u>
Other Comprehensive Income:				
Fair Value adjustment for Available for Sale financial assets	1	-	1	2
Currency translation differences	5	-	21	-
Total comprehensive income for the period	<u>7,048</u>	<u>6,332</u>	<u>15,200</u>	<u>17,461</u>
Profit for the period attributable to:				
Equity holders of the parent	7,154	6,332	15,348	17,459
Non-controlling interest	(112)	-	(170)	-
	<u>7,042</u>	<u>6,332</u>	<u>15,178</u>	<u>17,459</u>
Total comprehensive income attributable to:				
Equity holders of the parent	7,160	6,332	15,370	17,461
Non-controlling interest	(112)	-	(170)	-
	<u>7,048</u>	<u>6,332</u>	<u>15,200</u>	<u>17,461</u>
Basic Earnings per share (sen)	<u>3.58</u>	<u>3.17</u>	<u>7.67</u>	<u>8.73</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 Quarter 31 Dec 2011 RM'000	As at Preceding Financial Year Ended 31 March 2011 RM'000
ASSETS		
Non-Current Assets		
Property, plant & equipment	121,057	104,163
Investment property	470	476
Other investments	6	5
	121,533	104,644
Current Assets		
Inventories	35,295	30,885
Trade receivables	25,592	19,156
Other receivables and prepaid expenses	4,486	5,534
Derivative asset	5	-
Fixed deposit, bank and cash balances	27,269	22,891
	92,647	78,466
TOTAL ASSETS	214,180	183,110
EQUITY AND LIABILITIES		
Equity attributable to Equity Holders of the Parent		
Share capital	40,000	40,000
Reserves	72,128	59,558
	112,128	99,558
Non-controlling interest	130	-
TOTAL EQUITY	112,258	99,558
Non-Current Liabilities		
Term loan	3,215	3,846
Hire-purchase payable	6,630	3,961
Deferred tax liabilities	8,893	8,730
	18,738	16,537
Current Liabilities		
Trade payables	15,979	11,839
Other payables and accrued expenses	11,800	6,967
Derivative financial liabilities	-	1
Hire-purchase payable – current	6,492	4,378
Overdraft & short term borrowings	48,913	43,830
	83,184	67,015
TOTAL LIABILITIES	101,922	83,552
TOTAL EQUITY AND LIABILITIES	214,180	183,110
Net assets per share attributable to Ordinary Equity Holders of the Parent (RM)	0.56	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 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 1 April 2011	40,000	(26,078)	8,011	4,032	2	(15)	73,606	99,558	-	99,558
Dividend							(2,800)	(2,800)		(2,800)
Total Comprehensive Income for the period					1	21	15,348	15,370	130	15,500
Balance as at 31 Dec 2011	40,000	(26,078)	8,011	4,032	3	6	86,154	112,128	130	112,258
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
Dividend							(3,400)	(3,400)	-	(3,400)
Total Comprehensive Income for the period					2		17,459	17,461		17,461
Balance as at 31 Dec 2010	40,000	(26,078)	8,011	4,032	2	-	68,959	94,926	-	94,926

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 To Date 31 Dec 2011 RM'000	Preceding Year To Date 31 Dec 2010 RM'000
Profit before taxation	21,212	22,421
Adjustments for Non-cash flow:		
Non-cash items	7,493	5,330
Non-operating items	2,206	1,702
Operating profit before working capital changes	30,911	29,453
Changes in working capital		
Net changes in current assets	(9,253)	(10,946)
Net changes in current liabilities	7,262	6,535
Cash generated from operations	28,920	25,042
Finance cost paid	(2,424)	(1,760)
Income tax paid	(5,156)	(3,336)
Net Cash Flow from Operating Activities	21,340	19,946
Investing Activities		
Interest income received	78	58
Proceeds from disposal of property, plant and equipment	212	18
Purchase of property, plant and equipment	(13,051)	(11,885)
Fixed deposits pledged to bank	(450)	(11)
Acquisition of subsidiary company	(704)	-
Net Cash Flow from / (used in) Investing Activities	(13,915)	(11,820)
Financing Activities		
Bank borrowings	(316)	1,056
Dividend paid	(2,800)	(1,700)
Net Cash Flow from / (used in) Financing Activities	(3,116)	(644)
Net changes in cash and cash equivalents	4,309	7,482
Cash and cash equivalents at the beginning of financial period	20,107	4,711
Cash and cash equivalents at end of period	24,416	12,193
Cash and cash equivalents comprise:		
Bank and cash balances	23,549	11,131
Fixed deposits	3,720	3,094
Bank overdraft	(886)	(525)
	26,383	13,700
Less: fixed deposits pledged	(1,967)	(1,507)
	24,416	12,193

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the year ended 31 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

Revised FRS 123 Related Party Disclosure (1 July 2011)

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 15 Agreement for the Construction of Real Estate (1 July 2011)

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

A final single-tier dividend of 7% equivalent to approximate RM2.8 million in respect of the preceding financial year ended 31 March 2011 was paid on 23 November 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	147,645	18,706
b) Investment and Trading of animal health products	54,028	2,506
Total	201,673	21,212

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>3,703</u>
Approved but not contracted for	<u>135</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 except for the Unconditional Take-over Offer by Emerging Glory Sdn Bhd (“EGSB”). Teo Seng 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.

On 19 January 2012, Teo Seng received Notice of Unconditional Take-over Offer from EGSB through RHB Investment Bank Berhad (“RHB”). Concurrently TA Securities Holdings Berhad, as Independent Adviser for non-interested Directors and non-interested shareholders has been appointed on the same. RHB dispatch the Offer Document in relation to the Take-over Offer by EGSB to Shareholders of Teo Seng on 9 February 2012.

On 20 February 2012, Teo Seng applied extension of time for the dispatch of Independent Advice Circular (“IAC”) to the shareholders of Teo Seng.

On 23 February 2012, Securities Commission granted the extension of time to dispatch the IAC to the shareholders of Teo Seng by 27 February 2012. Independent Advice Circular was dispatched to the Shareholders on 27 February 2012.

Press Notice dated 23 February 2012 by RHB Investment Bank Berhad on behalf of EGSB in relation to the extension of the First Closing Date of the Offer to 9 March 2012 was made publicly on the even date.

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.

A14 Changes in Contingent Liabilities or Contingent Assets

There were no contingent liabilities and contingent assets other than the corporate guarantee of RM128.39 million given to the financial institutions for credit facilities granted to subsidiary companies.

A15 Related Party Transactions

	Current Quarter 3 Months Ended 31 Dec 2011 RM'000	Cumulative Quarter 9 Months Ended 31 Dec 2011 RM'000
Sales of eggs, veterinary products and egg trays;	1,798	7,857
Purchase of day-old-chick, veterinary products and raw materials;	2,665	9,540
Transportation;	1,063	2,891
Other services	16	54

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31 Dec 2011 RM'000	31 Dec 2010 RM'000	31 Dec 2011 RM'000	31 Dec 2010 RM'000
<u>REVENUE</u>				
Poultry Farming	48,883	50,116	147,645	133,101
Investment and Trading	25,180	5,526	54,028	15,811
	<u>74,063</u>	<u>55,642</u>	<u>201,673</u>	<u>148,912</u>
<u>PROFIT BEFORE TAX</u>				
Poultry Farming	9,106	8,409	18,706	20,456
Investment and Trading	830	294	2,506	1,965
	<u>9,936</u>	<u>8,703</u>	<u>21,212</u>	<u>22,421</u>

The Group recorded a lower pre-tax profit of approximately RM21.2 million on the back of revenue of RM201.7 million for the period under review, representing an decrease of 5.39% in pre-tax profit and an increase of 35.4% in revenue as compared with the pre-tax profit of RM22.4 million from the revenue of RM148.9 million in the preceding corresponding period ended 31 December 2010.

The analysis of the performance of the respective business operating segments is as follows:

Poultry Farming

The increase in revenue for the 9 months period under review was due to better selling price of eggs coupled with increase in sales quantity. However, the decrease in pre-tax profit for the same period was mainly due to agriculture incentive received in the preceding corresponding period.

Investment and Trading

The revenue increase was due to additional sales contribution from foreign subsidiary company for the period under review.

B2 Comparison with the Immediate Preceding Quarter's Results

	Current Quarter ended 31 Dec 2011 RM'000	Preceding Quarter ended 30 Sep 2011 RM'000	Variance RM'000	%
Revenue	74,063	66,335	7,728	11.6
Profit Before Tax	9,936	4,910	5,026	102.4

The Group's revenue increased from RM66.3 million to RM74.1 million was due to better selling price and additional sales contribution from foreign subsidiary company in the current quarter. The Group recorded a higher profit before tax of RM9.9 million in the current quarter as compared with the pre-tax profit of RM4.9 million in the previous quarter was due to the improved selling price of eggs.

B3 Current Year Prospects

In view of the recent lower selling price of eggs in domestic market, the Group's financial performance is expected to be satisfactory for the next quarter 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 Dec 2011 (RM'000)	Current Year To Date Ended 31 Dec 2011 (RM'000)
Current Year Provision	2,584	5,777
Under/(Over) Provision in respect of prior years	104	96
Deferred Taxation	206	161
Total	2,894	6,034

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 RM102,000 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 save as A12.

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	16,078	31,479	47,557
Hire Purchase – Current	6,492	-	6,492
Hire Purchase – Non-current	6,630	-	6,630
Long-term borrowings – Current	1,356		1,356
Long-term borrowings – Non-current	3,215		3,215
Total	33,771	31,479	65,250

The Group's borrowings are denominated as follows ('000):

Singapore Dollar	SGD 148
Ringgit Malaysia	RM 64,869

B10 Financial Instruments

As at 31 December 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	469	474	5

B11 Material Litigations

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

B12 Dividend Payable

The Board of Directors does not recommend any interim dividend for the current financial quarter ended 31 December 2011.

B13 Realised and Unrealised Profits/Loss

	As at end of the Current Quarter Ended 31 Dec 2011 (RM'000)	As at end of the Previous Financial Year Ended 31 Mar 2011 (RM'000)
Total retained profit:		
Realised profit	93,950	82,502
Unrealised gain/(loss)	(7,796)	(8,896)
	86,154	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 Quarter Ended 31 Dec 2011	Preceding Year Corresponding Quarter 31 Dec 2010	Current Year To Date 31 Dec 2011	Preceding Year To Date 31 Dec 2010
Profit attributable to Ordinary Equity Holders of the Parent (RM'000)	7,154	6,332	15,348	17,459
Number of ordinary shares in issue (000)	200,000	200,000	200,000	200,000
Basic earnings per share (Sen)	3.58	3.17	7.67	8.73

B15 Notes to the Statement of Comprehensive Income

	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding	To Date	Corresponding
	31 Dec 2011	Quarter	31 Dec 2011	Period
	RM'000	31 Dec 2010	31 Dec 2011	31 Dec 2010
		RM'000	RM'000	RM'000
Interest income	22	21	78	58
Depreciation and Amortisation	2,270	1,869	6,588	5,408
Provision for and write off of receivables	52	74	173	74
Gain or (Loss) on derivatives	5	(81)	6	27
Foreign exchange gain or (loss)	108	305	682	730

B16 Authorisation for Issue

The financial statements were authorized for issue by the Board of Directors on 29 February 2012.