

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 31 MARCH 2012**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31 Mar 2012 RM'000	Preceding Year Corresponding Quarter 31 Mar 2011 RM'000	Current Year To Date 31 Mar 2012 RM'000	Preceding Year Corresponding Period 31 Mar 2011 RM'000
Revenue	65,615	58,578	267,288	207,490
Operating Expenses	(62,142)	(54,126)	(241,496)	(179,921)
Other Income	712	409	2,029	1,473
Finance Cost	(876)	(555)	(3,300)	(2,315)
Profit Before Taxation	<u>3,309</u>	<u>4,306</u>	<u>24,521</u>	<u>26,727</u>
Tax Expense	(1,350)	341	(7,384)	(4,621)
Profit for the period	<u>1,959</u>	<u>4,647</u>	<u>17,137</u>	<u>22,106</u>
Other Comprehensive Income:				
Fair Value adjustment for Available for Sale financial assets	-	-	1	2
Currency translation differences	(39)	(15)	(18)	(15)
<b>Total comprehensive income for the period</b>	<u><b>1,920</b></u>	<u><b>4,632</b></u>	<u><b>17,120</b></u>	<u><b>22,093</b></u>
Profit for the period attributable to:				
Equity holders of the parent	1,914	4,647	17,262	22,106
Non-controlling interest	<u>45</u>	<u>-</u>	<u>(125)</u>	<u>-</u>
	<u>1,959</u>	<u>4,647</u>	<u>17,137</u>	<u>22,106</u>
Total comprehensive income attributable to:				
Equity holders of the parent	1,875	4,632	17,245	22,093
Non-controlling interest	<u>45</u>	<u>-</u>	<u>(125)</u>	<u>-</u>
	<u>1,920</u>	<u>4,632</u>	<u>17,120</u>	<u>22,093</u>
Basic Earnings per share (sen)	<u>0.96</u>	<u>2.32</u>	<u>8.63</u>	<u>11.05</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 Financial Year Ended 31 Mar 2012 RM'000	As at Preceding Financial Year Ended 31 March 2011 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant & equipment	125,181	104,163
Investment property	468	476
Other investments	6	5
	125,655	104,644
<b>Current Assets</b>		
Inventories	34,720	30,885
Trade receivables	24,109	19,156
Other receivables and prepaid expenses	7,267	5,534
Fixed deposit, bank and cash balances	21,127	22,891
	87,223	78,466
<b>TOTAL ASSETS</b>	<b>212,878</b>	<b>183,110</b>
<b>EQUITY AND LIABILITIES</b>		
Equity attributable to Equity Holders of the Parent		
Share capital	40,000	40,000
Reserves	74,003	59,558
	114,003	99,558
Non-controlling interest	174	-
<b>TOTAL EQUITY</b>	114,177	99,558
<b>Non-Current Liabilities</b>		
Term loan	3,454	3,846
Hire-purchase payable	7,102	3,961
Deferred tax liabilities	9,380	8,730
	19,936	16,537
<b>Current Liabilities</b>		
Trade payables	14,938	11,839
Other payables and accrued expenses	8,114	6,967
Derivative financial liabilities	-	1
Hire-purchase payable – current	7,303	4,378
Overdraft & short term borrowings	48,410	43,830
	78,765	67,015
<b>TOTAL LIABILITIES</b>	98,701	83,552
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>212,878</b>	<b>183,110</b>
Net assets per share attributable to Ordinary Equity Holders of the Parent (RM)	0.57	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	(18)	17,262	17,245	174	17,419
Balance as at 31 Mar 2012	40,000	(26,078)	8,011	4,032	3	(33)	88,068	114,003	174	114,177
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	(15)	22,106	22,093		22,093
Balance as at 31 Mar 2011	40,000	(26,078)	8,011	4,032	2	(15)	73,606	99,558	-	99,558

*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 Mar 2012 RM'000	Preceding Year To Date 31 Mar 2011 RM'000
Profit before taxation	24,521	26,727
Adjustments for Non-cash flow:		
Non-cash items	9,277	11,838
Non-operating items	2,994	2,153
Operating profit before working capital changes	36,792	40,718
Changes in working capital		
Net changes in current assets	(8,436)	(7,671)
Net changes in current liabilities	2,532	(2,780)
Cash generated from operations	30,888	30,267
Finance cost paid	(3,300)	(2,315)
Income tax paid	(7,286)	(4,874)
<b>Net Cash Flow from Operating Activities</b>	<b>20,302</b>	<b>23,078</b>
<b>Investing Activities</b>		
Interest income received	142	85
Proceeds from disposal of property, plant and equipment	1,273	25
Purchase of property, plant and equipment	(16,869)	(15,424)
Fixed deposits pledged to bank	276	(19)
Acquisition of subsidiary company	(704)	341
<b>Net Cash Flow from / (used in) Investing Activities</b>	<b>(15,882)</b>	<b>(14,992)</b>
<b>Financing Activities</b>		
Bank borrowings	(2,386)	10,710
Dividend paid	(2,800)	(3,400)
<b>Net Cash Flow from / (used in) Financing Activities</b>	<b>(5,186)</b>	<b>7,310</b>
<b>Net changes in cash and cash equivalents</b>	<b>(766)</b>	<b>15,396</b>
<b>Cash and cash equivalents at the beginning of financial period</b>	<b>20,107</b>	<b>4,711</b>
<b>Cash and cash equivalents at end of period</b>	<b>19,341</b>	<b>20,107</b>
<b>Cash and cash equivalents comprise:</b>		
Bank and cash balances	19,770	20,786
Fixed deposits	1,357	2,105
Bank overdraft	(547)	(1,269)
	20,580	21,622
Less: fixed deposits pledged	(1,239)	(1,515)
	<b>19,341</b>	<b>20,107</b>

*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	198,252	21,793
b) Investment and Trading of animal health products	69,036	2,728
Total	267,288	24,521

### 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>5,681</u>
Approved but not contracted for	<u>1,375</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 the Unconditional Take-Over Offer by Emerging Glory Sdn Bhd (“EGSB”) through RHB Investment Bank Berhad to acquire all of the remaining ordinary shares of RM0.20 each in Teo Seng not already held by EGSB and its parties acting in-concert (“PACs”) at a cash offer price of RM0.65 per offer share (“Offer”). The Closing Date of the Offer was on 9 March 2012, which EGSB has received acceptances 5.43% in respect of the Offer resulting EGSB and its PACs holding 64.78% of the total voting shares of Teo Seng.

**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 RM123.4 million given to the financial institutions for credit facilities granted to subsidiary companies.

**A15 Related Party Transactions**

	Current Quarter 3 Months Ended 31 Mar 2012 RM'000	Cumulative Quarter 12 Months Ended 31 Mar 2012 RM'000
Sales of eggs, veterinary products and egg trays;	10,427	18,284
Purchase of day-old-chick, veterinary products and raw materials;	8,699	18,239
Transportation;	1,019	3,910
Other services	24	78

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 31 March 2012 RM'000	Preceding Year Corresponding Quarter 31 Mar 2011 RM'000	Current Year To Date 31 Mar 2012 RM'000	Preceding Year Corresponding Period 31 Mar 2011 RM'000
<b><u>REVENUE</u></b>				
Poultry Farming	50,607	45,798	198,252	178,899
Investment and Trading	15,008	12,780	69,036	28,591
	<u>65,615</u>	<u>58,578</u>	<u>267,288</u>	<u>207,490</u>
<b><u>PROFIT BEFORE TAX</u></b>				
Poultry Farming	3,087	2,883	21,793	23,339
Investment and Trading	222	1,423	2,728	3,388
	<u>3,309</u>	<u>4,306</u>	<u>24,521</u>	<u>26,727</u>

The Group recorded a lower pre-tax profit of approximately RM24.5 million on the back of revenue of RM267.3 million for the period under review, representing a decrease of 8.3% in pre-tax profit and an increase of 28.8% in revenue as compared with the pre-tax profit of RM26.7 million from the revenue of RM207.5 million in the preceding corresponding year ended 31 March 2011.

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

**Poultry Farming**

The increase in revenue for the current period under review was due to increase in selling price of eggs coupled with increase in sales quantity. However, the decrease in pre-tax profit for the same period was due to increase in feed cost in the current year.

**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 Mar 2012 RM'000	Preceding Quarter ended 31 Dec 2011 RM'000	Variance RM'000	%
Revenue	65,615	74,063	(8,448)	(11.4)
Profit Before Tax	3,309	9,936	(6,627)	(66.7)

The Group's revenue decreased to RM65.6 million and recorded a lower profit before tax of RM3.3 million in the current quarter representing the decrease of 11.4% and 66.7% respectively as compared with the revenue of RM74.1 million and pre-tax profit of RM9.9 million in the previous quarter was due to the decrease in selling price of eggs coupled with higher feed cost.

**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 challenging for the forthcoming financial year ending 31 March 2013.

**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 2012 (RM'000)	Current Year To Date Ended 31 Mar 2012 (RM'000)
Current Year Provision	867	6,644
Under/(Over) Provision in respect of prior years	(7)	89
Deferred Taxation	490	651
Total	1,350	7,384

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 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	6

**B8 Corporate Proposals**

There were no corporate proposals announced but not completed as at the date of this report except the acquisition of 100% equity interest in Pioneer Prosperity Sdn Bhd.

**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	19,547	28,024	47,571
Hire Purchase – Current	7,303	-	7,303
Hire Purchase – Non-current	7,102	-	7,102
Long-term borrowings – Current	839	-	839
Long-term borrowings – Non-current	3,454	-	3,454
Total	38,245	28,024	66,269

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

Singapore Dollar	SGD 136
Ringgit Malaysia	RM 65,936

**B10 Financial Instruments**

There was no foreign currency contracts entered as at 31 March 2012.

**B11 Material Litigations**

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

**B12 Dividend Payable**

The Board of Directors proposed a final single-tier dividend of 8.75% amounting to approximate RM3,500,000 in respect of the current financial year. The proposed final dividend is subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company.

**B13 Realised and Unrealised Profits/Loss**

	As at end of the Current Financial Year Ended 31 Mar 2012 (RM'000)	As at end of the Previous Financial Year Ended 31 Mar 2011 (RM'000)
Total retained profit: Realised profit Unrealised gain/(loss)	96,411 (8,343)	82,502 (8,896)
	88,068	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 Mar 2012	Preceding Year Corresponding Quarter 31 Mar 2011	Current Year To Date 31 Mar 2012	Preceding Year To Date 31 Mar 2011
Profit attributable to Ordinary Equity Holders of the Parent (RM'000)	1,914	4,647	17,262	22,106
Number of ordinary shares in issue (000)	200,000	200,000	200,000	200,000
Basic earnings per share (Sen)	0.96	2.32	8.63	11.05

**B15 Notes to the Statement of Comprehensive Income**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31 Mar 2012 RM'000	Preceding Year Corresponding Quarter 31 Mar 2011 RM'000	Current Year To Date 31 Mar 2012 RM'000	Preceding Year Corresponding Period 31 Mar 2011 RM'000
Interest income	64	27	142	85
Depreciation and Amortisation	(2,463)	(2,006)	(9,051)	(7,414)
Provision for and write off of receivables	(42)	(101)	(215)	(175)
Gain or (Loss) on derivatives	6	(1)	12	26
Foreign exchange gain or (loss)	177	236	859	966

**B16 Authorisation for Issue**

The financial statements were authorized for issue by the Board of Directors on 28 May 2012.