

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 30 JUNE 2012**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30-Jun-12 RM'000	30-Jun-11 RM'000	30-Jun-12 RM'000	30-Jun-11 RM'000
Revenue	60,666	61,275	60,666	61,275
Operating Expenses	(62,090)	(54,816)	(62,090)	(54,816)
Other Income	665	678	665	678
Finance Cost	(802)	(771)	(802)	(771)
Profit/(Loss) before Taxation	<u>(1,561)</u>	<u>6,366</u>	<u>(1,561)</u>	<u>6,366</u>
Tax Expense	(497)	(1,649)	(497)	(1,649)
<b>Profit/(Loss) for the Period</b>	<b><u>(2,058)</u></b>	<b><u>4,717</u></b>	<b><u>(2,058)</u></b>	<b><u>4,717</u></b>
Other Comprehensive Income:				
Available-for-sale Financial Assets	(0)	1	(0)	1
Currency Translation Differences	(33)	20	(33)	20
<b>Total Comprehensive Income/(Loss) for the Period</b>	<b><u>(2,091)</u></b>	<b><u>4,738</u></b>	<b><u>(2,091)</u></b>	<b><u>4,738</u></b>
<i>Profit/(Loss) for the period attributable to:</i>				
Equity holders of the parent	(2,065)	4,760	(2,065)	4,760
Non-controlling interest	<u>7</u>	<u>(43)</u>	<u>7</u>	<u>(43)</u>
	<b><u>(2,058)</u></b>	<b><u>4,717</u></b>	<b><u>(2,058)</u></b>	<b><u>4,717</u></b>
<i>Total Comprehensive Income/(Loss) attributable to:</i>				
Equity holders of the parent	(2,098)	4,781	(2,098)	4,781
Non-controlling interest	<u>7</u>	<u>(43)</u>	<u>7</u>	<u>(43)</u>
	<b><u>(2,091)</u></b>	<b><u>4,738</u></b>	<b><u>(2,091)</u></b>	<b><u>4,738</u></b>
<b>Basic Earnings/(Loss) per Share (sen)</b>	<b><u>(1.03)</u></b>	<b><u>2.38</u></b>	<b><u>(1.03)</u></b>	<b><u>2.38</u></b>

*The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2012.*

**TEO SENG CAPITAL BERHAD (732762-T)**  
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at end of Current Quarter 30-Jun-12 RM'000	As at Preceding Financial Year Ended 31-Mar-12 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant & equipment	127,581	125,181
Investment property	466	468
Other investments	6	6
	<u>128,053</u>	<u>125,655</u>
<b>Current Assets</b>		
Inventories	37,350	34,720
Trade receivables	24,278	24,109
Other receivables and prepaid expenses	4,161	4,985
Tax recoverable	3,099	2,280
Derivative financial assets	2	-
Fixed deposit, bank and cash balances	18,774	21,127
	<u>87,664</u>	<u>87,221</u>
<b>TOTAL ASSETS</b>	<b><u>215,717</u></b>	<b><u>212,876</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable to Owners of the Company</b>		
Share capital	40,000	40,000
Reserves	71,905	74,003
<b>TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	<u>111,905</u>	<u>114,003</u>
<b>NON-CONTROLLING INTERESTS</b>	181	174
<b>TOTAL EQUITY</b>	<u>112,086</u>	<u>114,177</u>
<b>Non-Current Liabilities</b>		
Term loan	2,967	3,454
Hire purchase payable	6,090	7,102
Deferred tax liabilities	8,930	9,380
	<u>17,987</u>	<u>19,936</u>
<b>Current Liabilities</b>		
Trade payables	16,618	14,977
Other payables and accrued expenses	12,612	8,073
Hire purchase payables	6,850	7,303
Overdraft & short term borrowings	49,564	48,410
	<u>85,644</u>	<u>78,763</u>
<b>TOTAL LIABILITIES</b>	<u>103,631</u>	<u>98,699</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>215,717</u></b>	<b><u>212,876</u></b>
<i>Net asset per share attributable to Ordinary Equity Holders of the Parent (RM)</i>	<i>0.56</i>	<i>0.57</i>

*The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Consolidated Financial Statements for the year ended 31 March 2012.*

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

	Share Capital	Reverse Acquisition Reserves	Share Premium	Revaluation Reserves	Fair Value Reserves	Foreign Exchange Translation Reserves	Retained Profits	Total	Non- Controlling Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 April 2012	40,000	(26,078)	8,011	4,032	3	(33)	88,068	114,003	174	114,177
Total Comprehensive Income for the period					-	(33)	(2,065)	(2,098)	7	(2,091)
Balance as at 30 June 2012	40,000	(26,078)	8,011	4,032	3	(66)	86,003	111,905	181	112,086
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

*The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Statement for the year ended 31 March 2012.*

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

	Current Year To Date 30-Jun-12 RM'000	Preceding Year To Date 30-Jun-11 RM'000
Profit/(Loss) before taxation	(1,561)	6,366
Adjustments for non-cash flow:		
Non-cash items	2,824	2,698
Non-operating items	476	746
Operating profit before working capital changes	<u>1,739</u>	<u>9,810</u>
Changes in working capital		
Net changes in current assets	(1,773)	(2,627)
Net changes in current liabilities	5,569	(40)
Cash generated from operations	<u>5,535</u>	<u>7,143</u>
Income tax paid	(1,766)	(1,370)
<b>Net Cash Flow from Operating Activities</b>	<b><u>3,769</u></b>	<b><u>5,773</u></b>
Interest income received	29	24
Proceeds from disposal of property, plant and equipment	-	56
Purchase of property, plant and equipment	(3,808)	(3,168)
Acquisition of subsidiary company	(282)	(704)
<b>Net Cash Flow from/(used in) Investing Activities</b>	<b><u>(4,061)</u></b>	<b><u>(3,792)</u></b>
Bank borrowings	(1,774)	(760)
Finance cost paid	(802)	(771)
Net (increase)/decrease in fixed deposit pledged	487	(430)
<b>Net Cash Flow from/(used in) Financing Activities</b>	<b><u>(2,089)</u></b>	<b><u>(1,961)</u></b>
<b>Net Increase/(Decrease) in cash and cash equivalents</b>	<b>(2,381)</b>	<b>20</b>
<b>Cash and cash equivalents at the beginning of the financial period</b>	<b>19,341</b>	<b>20,107</b>
<b>Cash and cash equivalents at the end of the financial period</b>	<b><u>16,960</u></b>	<b><u>20,127</u></b>
<b>Cash and cash equivalents comprise:</b>		
Bank and cash balances	17,750	20,668
Fixed deposits	1,024	2,476
Bank overdrafts	(1,062)	(1,072)
	<u>17,712</u>	<u>22,072</u>
Less: fixed deposits pledged	(752)	(1,945)
	<b><u>16,960</u></b>	<b><u>20,127</u></b>

*The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2012.*

**NOTES TO THE QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST FINANCIAL QUARTER ENDED 30 JUNE 2012**

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**A. SELECTED EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD (“FRS”) NO. 134 – INTERIM FINANCIAL REPORTING**

**A1. Basis of Preparation**

The financial statements are unaudited and have been prepared in accordance with the 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 2012 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 method 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 2012 except for the adoption of the following new and revised FRSs effective on 1 January 2012:

MFRS 1 Government Loan (Amendment) & Annual Improvement 2009-2011 Cycle (Amendment)

MFRS 7 Disclosures-Offsetting Financial Assets and Financial Liabilities (Amendment)

MFRS 9 Consolidated Financial Statements

MFRS 10 Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities : Transition Guidance (Amendments to MFRS 10, MFRS 11 and MFRS 12)  
Joint Arrangements

MFRS 11 Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities : Transition Guidance (Amendments to MFRS 10, MFRS 11 and MFRS 12)  
Disclosures of Interests in Other Entities

MFRS 12 Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities : Transition Guidance (Amendments to MFRS 10, MFRS 11 and MFRS 12)

MFRS 13 Fair Value Measurement

MFRS 101 Presentation of Item of Other Comprehensive Income (Amendments)  
Annual Improvements 2009-2011 Cycle (Amendments)

MFRS 116 Annual Improvements 2009-2011 Cycle (Amendments)

MFRS 119 Employee Benefits (IAS 19 as amended by IASB in June 2011)

MFRS 127 Separate Financial Statements (IAS 27 as amended by IASB in May 2011)

MFRS 128 Investments in Associates and Joint Ventures (IAS 28 as amended by IASB in May 2011)

MFRS 132 Annual Improvements 2009-2011 Cycle (Amendments)  
Offsetting Financial Assets and Financial Liabilities (Amendments)

MFRS 134 Annual Improvements 2009-2011 Cycle (Amendments)

IC Int. 2 Annual Improvements 2009-2011 Cycle (Amendments)

**Malaysian Financial Reporting Standards (“MFRS Framework”)**

On 19 November 2011, MASB issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (“MFRSs”) that are equivalent to the International Financial Reporting Standards.

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The MFRSs are to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 (Agriculture) and IC Interpretation 15 (Agreement for Construction of Real Estate), including its parent, significant investor and venture (herein called “Transitioning Entities”).

On 30 June 2012, MASB announced that the Transitioning Entities are allowed to defer the adoption of the MFRSs to annual periods beginning on or after 1 January 2014 after which the MFRSs will become mandatory.

The Group falls within the definition of Transitioning Entities and has opted to prepare its first MFRSs financial statements for the financial year ending 31 March 2015.

**A3. Auditors’ Report**

There was no qualification on the audited financial statements for the financial year ended 31 March 2012.

**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/(Loss) before Taxation RM'000
a. Poultry Farming	41,959	(2,818)
b. Investment and Trading of animal health products	18,707	1,257
Total	60,666	(1,561)

**A10. Valuation of Property, Plant and 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>1,454</u>
Approved but not contracted for	<u>323</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 the restructuring of the Group whereby Teo Seng Feedmill Sdn Bhd, a wholly-owned subsidiary company of Teo Seng had on 26 April 2012 disposed its 100% equity interest in Laskar Fertiliser Sdn Bhd (formerly known as "Laskar Perikanan Sdn Bhd") to Forever Best Supply Sdn Bhd, a 60% owned indirect subsidiary company of Teo Seng.

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

There were no contingent liabilities and contingent assets other than the corporate guarantee of RM135.7 million given to the financial institutions for credit facilities granted to subsidiary companies.

**A15. Related Party Transactions**

The following related party transactions have been entered into in the normal course of business at arms-length.

	Current Quarter 3 months ended 30 June 2012 RM'000	Cumulative Quarter 3 months ended 30 June 2012 RM'000
Sales of eggs, veterinary products and egg trays	6,799	6,799
Purchase of day-old-chick, veterinary products and raw materials	17,727	17,727
Transportation	1,061	1,061
Other services	21	21

**B. ADDITIONAL INFORMATION AS REQUIRED BY BURSA SECURITIES MAIN LISTING REQUIREMENTS (APPENDIX 9B)**

**B1. Review of Performance of the Company and its principal subsidiaries**

	Individual Quarter		Cumulative Quarter	
	Current Quarter ended 30 June 2012 RM'000	Preceding Year Corresponding Quarter 30 June 2011 RM'000	Current year- to-date 30 June 2012 RM'000	Preceding Year Corresponding Period 30 June 2011 RM'000
<b>REVENUE</b>				
Poultry Farming	41,959	47,710	41,959	47,710
Investment and Trading	18,707	13,565	18,707	13,565
	<u>60,666</u>	<u>61,275</u>	<u>60,666</u>	<u>61,275</u>
<b>PROFIT/(LOSS) BEFORE TAX</b>				
Poultry Farming	(2,818)	5,864	(2,818)	5,864
Investment and Trading	1,257	502	1,257	502
	<u>(1,561)</u>	<u>6,366</u>	<u>(1,561)</u>	<u>6,366</u>

The Group recorded a pre-tax loss of approximately RM1.6 million on the back of revenue of RM60.7 million for the current period under review as compared with the pre-tax profit of RM6.4 million on the back of revenue of RM61.3 million in the preceding corresponding period ended 30 June 2011.

Poultry Farming

The decrease in revenue by RM5.8 million as compared with RM47.7 million in the preceding year corresponding period ended 30 June 2011, was due to the decrease in selling price of eggs. It had caused the Company to record a pre-tax loss of RM1.6 million in the current quarter.

Investment and Trading

The revenue increase from RM13.6 million to RM18.7 million as compared with the preceding corresponding year period representing an increase of approximate 38%, due to the increase in sales of animal health products and additional sales contribution from its foreign subsidiary company.

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

	Current Quarter ended 30 June 2012 RM'000	Preceding Quarter ended 31 March 2012 RM'000	Variance	
			RM'000	%
Revenue	60,666	65,615	(4,949)	-7.5%
Profit/(Loss) before taxation	(1,561)	3,309	(4,870)	-147.2%

The Group's revenue decreased from RM65.6 million to RM60.7 million representing the decrease of approximate 7.5% was mainly due to the decrease in selling price of eggs in the current quarter. As a result, the Group recorded a pre-tax loss of RM1.6 million in current quarter.



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**B3. Current Year Prospects**

In view of the recent unstable selling price coupled with the higher feed cost, the Directors are in the opinion that the Group's financial performance for the remaining nine (9) months period ending 31 March 2013 is challenging.

**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 June 2012 RM'000	Current Year to date ended 30 June 2012 RM'000
Current year provision	947	947
Deferred taxation	(450)	(450)
	<u>497</u>	<u>497</u>

The Group's income tax for the current financial period to date reflects a higher effective tax rate than the statutory income tax rate due to the certain loss making subsidiary companies and the non-deductible expenses incurred.

**B6. Corporate Proposal**

There were no corporate proposals announced but not completed as at the date of this report.

**B7. Group Borrowings and Debt Securities**

Details of Group borrowings as at 30 June 2012 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings	25,653	23,049	48,702
Hire Purchase - current	6,850	-	6,850
Hire Purchase - non-current	6,090	-	6,090
Long term borrowings - current	862	-	862
Long term borrowings - non-current	2,967	-	2,967
Total	42,422	23,049	65,471

The Group borrowings are denominated in following currency:

		'000
Ringgit Malaysia	RM	65,176
Singapore Dollar	SGD	295

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**B8. Financial Instruments**

The foreign currency contracts which have been entered into by the Group to hedge its foreign purchase in foreign currency is as follow:

Forward foreign currency contracts	Notional Value RM'000	Fair Value RM'000	Fair Value Changes RM'000
US Dollar (USD) - less than 1 year	270	272	2

**B9. Realised and Unrealised Profit/(Loss)**

	Current Quarter ended 30 June 2012 RM'000	Preceding Quarter ended 31 Mar 2012 RM'000
Realised profit	94,933	97,391
Unrealised profit/(loss)	(8,930)	(9,323)
Retained profit	86,003	88,068

**B10. Earnings per Share (EPS)**

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 June 2012	Preceding Year Corresponding Quarter 30 June 2011	Current Year-to- date 30 June 2012	Preceding Year- to-date 30 June 2011
Profit/(Loss) attributable to Ordinary Equity Holders of the Parent (RM'000)	(2,065)	4,760	(2,065)	4,760
Number of ordinary shares in issue ('000)	200,000	200,000	200,000	200,000
Basic earnings/(loss) per share (sen)	(1.03)	2.38	(1.03)	2.38

**B11. Notes to the Statement of Comprehensive Income**

	Current Quarter ended 30 June 2012 RM'000	Current Year-to-date 30 June 2012 RM'000
Interest income	29	29
Other income	100	100
Depreciation and amortisation	2,496	2,496
Provision for and write off receivables	(107)	(107)
Gain/(Loss) on foreign exchange	238	238

**B12. Authorisation for Issue**

The financial statement were authorised for issue by the Board of Directors on 27 August 2012.