

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

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30-Sep-12 RM'000	30-Sep-11 RM'000	30-Sep-12 RM'000	30-Sep-11 RM'000
Revenue	64,292	NA	124,958	NA
Operating Expenses	(66,134)	NA	(128,224)	NA
Other Income	459	NA	1,124	NA
Finance Cost	(947)	NA	(1,749)	NA
Loss before Taxation	<u>(2,330)</u>	<u>NA</u>	<u>(3,891)</u>	<u>NA</u>
Tax Expense	(298)	NA	(795)	NA
Loss for the Period	<u>(2,628)</u>	<u>NA</u>	<u>(4,686)</u>	<u>NA</u>
Other Comprehensive Income:				
Available-for-sale Financial Assets	-	NA	-	NA
Currency Translation Differences	(21)	NA	(54)	NA
Total Comprehensive Loss for the Period	<u>(2,649)</u>	<u>NA</u>	<u>(4,740)</u>	<u>NA</u>
<i>Loss for the period attributable to:</i>				
Equity holders of the parent	(2,553)	NA	(4,618)	NA
Non-controlling interest	<u>(75)</u>	<u>NA</u>	<u>(68)</u>	<u>NA</u>
	<u>(2,628)</u>	<u>NA</u>	<u>(4,686)</u>	<u>NA</u>
<i>Total Comprehensive Loss attributable to:</i>				
Equity holders of the parent	(2,574)	NA	(4,672)	NA
Non-controlling interest	<u>(75)</u>	<u>NA</u>	<u>(68)</u>	<u>NA</u>
	<u>(2,649)</u>	<u>NA</u>	<u>(4,740)</u>	<u>NA</u>
Basic Loss per Share (sen)	<u>(1.28)</u>	<u>NA</u>	<u>(2.31)</u>	<u>NA</u>

Notes:

1. There were no comparative figures for the individual and cumulative quarters in the preceding year as the Company has changed its financial year end from 31 March to 31 December. The first set of annual financial statements for the new financial year end will be from 1 January 2013 to 31 December 2013.
2. The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2012.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at end of Current Quarter 30-Sep-12 RM'000	As at Preceding Financial Year Ended 31-Dec-11 RM'000
ASSETS		
Non-Current Assets		
Property, plant & equipment	131,124	NA
Investment property	464	NA
Other investments	6	NA
	131,594	NA
Current Assets		
Inventories	39,378	NA
Trade receivables	27,120	NA
Other receivables and prepaid expenses	4,512	NA
Tax recoverable	4,286	NA
Derivative financial assets	5	NA
Fixed deposit, bank and cash balances	17,041	NA
	92,342	NA
TOTAL ASSETS	223,936	NA
EQUITY AND LIABILITIES		
Equity Attributable to Owners of the Company		
Share capital	40,000	NA
Reserves	69,331	NA
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	109,331	NA
NON-CONTROLLING INTERESTS	106	NA
TOTAL EQUITY	109,437	NA
Non-Current Liabilities		
Term loan	2,786	NA
Hire purchase payable	6,750	NA
Deferred tax liabilities	8,411	NA
	17,947	NA
Current Liabilities		
Trade payables	17,222	NA
Other payables and accrued expenses	13,136	NA
Hire purchase payables	7,263	NA
Overdraft & short term borrowings	58,931	NA
	96,552	NA
TOTAL LIABILITIES	114,499	NA
TOTAL EQUITY AND LIABILITIES	223,936	NA
<i>Net asset per share attributable to Ordinary Equity Holders of the Parent (RM)</i>	<i>0.55</i>	<i>NA</i>

Notes:

1. There were no comparative figures for the preceding financial year as the Company has changed its financial year end from 31 March to 31 December. The first set of annual financial statements for the new financial year end will be from 1 January 2013 to 31 December 2013.
2. 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					-	(54)	(4,618)	(4,672)	(68)	(4,740)
Balance as at 30 September 2012	40,000	(26,078)	8,011	4,032	3	(87)	83,450	109,331	106	109,437
Balance as at 1 April 2011	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Dividend paid	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total Comprehensive Income for the period	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Balance as at 30 September 2011	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

Notes:

- 1. There were no comparative figures for the preceding financial year as the Company has changed its financial year end from 31 March to 31 December. The first set of annual financial statements for the new financial year end will be from 1 January 2013 to 31 December 2013.*
- 2. The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Statement for the year ended 31 March 2012.*

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	Current Year To Date 30-Sep-12 RM'000	Preceding Year To Date 30-Sep-11 RM'000
Loss before taxation	(3,891)	NA
Adjustments for non-cash flow:		
Non-cash items	5,371	NA
Non-operating items	1,355	NA
Operating profit before working capital changes	<u>2,835</u>	<u>NA</u>
Changes in working capital		
Net changes in current assets	(6,879)	NA
Net changes in current liabilities	6,697	NA
Cash generated from operations	<u>2,653</u>	<u>NA</u>
Income tax paid	(3,770)	NA
Net Cash Flow from Operating Activities	<u>(1,117)</u>	<u>NA</u>
Interest income received	42	NA
Proceeds from disposal of property, plant and equipment	148	NA
Purchase of property, plant and equipment	(6,756)	NA
Acquisition of subsidiary company	(282)	NA
Net Cash Flow from/(used in) Investing Activities	<u>(6,848)</u>	<u>NA</u>
Bank borrowings	2,947	NA
Finance cost paid	(1,749)	NA
Net (increase)/decrease in fixed deposit pledged	478	NA
Net Cash Flow from/(used in) Financing Activities	<u>1,676</u>	<u>NA</u>
Net Increase/(Decrease) in cash and cash equivalents	(6,289)	NA
Cash and cash equivalents at the beginning of the financial period	<u>19,341</u>	<u>NA</u>
Cash and cash equivalents at the end of the financial period	<u>13,052</u>	<u>NA</u>
Cash and cash equivalents comprise:		
Bank and cash balances	16,008	NA
Fixed deposits	1,033	NA
Bank overdrafts	(3,228)	NA
	<u>13,813</u>	<u>NA</u>
Less: fixed deposits pledged	(761)	NA
	<u>13,052</u>	<u>NA</u>

Notes:

1. There were no comparative figures for the preceding financial year as the Company has changed its financial year end from 31 March to 31 December. The first set of annual financial statements for the new financial year end will be from 1 January 2013 to 31 December 2013.
2. 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 FINANCIAL QUARTER ENDED 30 SEPTEMBER 2012

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 December 2014.

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. However, a final single tier dividend of 8.75% or equivalent to approximate RM3,500,000 in respect of the previous financial year ended 31 March 2012 was paid on 19 November 2012.

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	85,556	(5,435)
b. Investment and Trading of animal health	39,402	1,544
Total	124,958	(3,891)

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>2,037</u>
Approved but not contracted for	<u>182</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 acquisition of 100% equity interest in Pioneer Prosperity Sdn Bhd (“PPSB”) by the Company was completed on 12 July 2012.

A14. Changes in Contingent Liabilities or Contingent Assets

There were no contingent liabilities and contingent assets other than the corporate guarantee of RM156.3 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 arm-length.

	Current Quarter 3 months ended 30 Sep 2012 RM'000	Cumulative Year To Date 6 months ended 30 Sep 2012 RM'000
Sales of eggs, veterinary products and egg tra	6,437	13,236
Purchase of day-old-chick, veterinary products and raw materials	17,793	35,520
Transportation	1,218	2,279
Other services	21	42

TEO SENG CAPITAL BERHAD (732762-T)*(Incorporated in Malaysia)***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 Sep 2012 RM'000	Preceding Year Corresponding Quarter 30 Sep 2011 RM'000	Current year-to-date 30 Sep 2012 RM'000	Preceding Year Corresponding Period 30 Sep 2011 RM'000
REVENUE				
Poultry Farming	43,597	NA	85,556	NA
Investment and Trading	20,695	NA	39,402	NA
	<u>64,292</u>	<u>NA</u>	<u>124,958</u>	<u>NA</u>
PROFIT/(LOSS) BEFORE TAX				
Poultry Farming	(2,617)	NA	(5,435)	NA
Investment and Trading	287	NA	1,544	NA
	<u>(2,330)</u>	<u>NA</u>	<u>(3,891)</u>	<u>NA</u>

The Group recorded a pre-tax loss of approximately RM3.9 million on the back of revenue of RM125.0 million for the 6 months period under review.

Poultry Farming

The Group recorded revenue of RM43.6 million for the current quarter and RM85.6 million for the 6 months period under review. The decrease in selling price of eggs resulting from over-supply situation in domestic market and higher feed cost had caused the Company to record a pre-tax loss of RM5.4 million for the six months period ended 30 September 2012.

Investment and Trading

The Group recorded revenue of RM20.7 million for the current quarter and RM39.4 million for the 6 months period ended 30 September 2012, was 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 Sep 2012 RM'000	Preceding Quarter ended 30 June 2012 RM'000	Variance	
			RM'000	%
Revenue	64,292	60,666	3,626	6.0%
Loss before taxation	(2,330)	(1,561)	(769)	-49.3%

The Group's revenue increased from RM60.7 million to RM64.3 million representing an increase of approximate 6.0% was due to the increase in sales quantity of eggs and animal health products for the current quarter. Despite the increase in revenue, the Group recorded a pre-tax loss of RM2.3 million in current quarter.

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B3. Current Year Prospects

In view of the recent improved selling price, the Directors are optimistic that the Group's financial performance for the remaining three (3) months period ending 31 December 2012 is satisfactory.

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 Sep 2012 RM'000	Current Year to date ended 30 Sep 2012 RM'000
Current year provision	817	1,764
Deferred taxation	(519)	(969)
	298	795

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.

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 Sep 2012 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings	9,534	48,553	58,087
Hire Purchase - current	7,263	-	7,263
Hire Purchase - non-current	6,750	-	6,750
Long term borrowings - current	844	-	844
Long term borrowings - non-current	2,786	-	2,786
Total	27,177	48,553	75,730

The Group borrowings are denominated in following currency:

		'000
Ringgit Malaysia	RM	75,481
Singapore Dollar	SGD	98

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	633	638	5

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B9. Realised and Unrealised Profit/(Loss)

	Current Quarter ended 30 Sep 2012 RM'000	Preceding Quarter ended 30 June 2012 RM'000
Realised profit	91,821	94,933
Unrealised loss	(8,371)	(8,930)
Retained profit	83,450	86,003

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 Sep 2012	Preceding Year Corresponding Quarter 30 Sep 2011	Current Year-to-date 30 Sep 2012	Preceding Year-to-date 30 Sep 2011
Loss attributable to Ordinary Equity Holders of the Parent (RM'000)	(2,553)	NA	(4,618)	NA
Number of ordinary shares in issue ('000)	200,000	NA	200,000	NA
Basic loss per share (sen)	(1.28)	NA	(2.31)	NA

B11. Notes to the Statement of Comprehensive Income

	Current Quarter ended 30 Sep 2012 RM'000	Current Year-to-date 30 Sep 2012 RM'000
Interest income	13	42
Other income	76	176
Depreciation and amortisation	2,596	5,092
Provision for and write off receivables	(107)	(107)
Gain/(Loss) on foreign exchange	53	291

B12. Authorisation for Issue

The financial statement were authorised for issue by the Board of Directors on 29 November 2012.