

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 JUNE 2013**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30-Jun-13 RM'000	30-Jun-12 RM'000	30-Jun-13 RM'000	30-Jun-12 RM'000
Revenue	82,230	NA	161,316	NA
Operating Expenses	(73,707)	NA	(147,105)	NA
Other Income	424	NA	1,319	NA
Finance Cost	(1,052)	NA	(2,084)	NA
Profit before Taxation	<u>7,895</u>	<u>NA</u>	<u>13,446</u>	<u>NA</u>
Tax Expense	(1,587)	NA	(2,730)	NA
Profit for the Period	<u>6,308</u>	<u>NA</u>	<u>10,716</u>	<u>NA</u>
Other Comprehensive Income:				
Available-for-sale Financial Assets	-	NA	(0)	NA
Currency Translation Differences	(7)	NA	16	NA
Total Comprehensive Income for the Period	<u>6,301</u>	<u>NA</u>	<u>10,732</u>	<u>NA</u>
<i>Profit/(Loss) for the period attributable to:</i>				
Equity holders of the parent	6,376	NA	10,800	NA
Non-controlling interest	<u>(68)</u>	<u>NA</u>	<u>(84)</u>	<u>NA</u>
	<u>6,308</u>	<u>NA</u>	<u>10,716</u>	<u>NA</u>
<i>Total Comprehensive Income/(Expense) attributable to:</i>				
Equity holders of the parent	6,369	NA	10,816	NA
Non-controlling interest	<u>(68)</u>	<u>NA</u>	<u>(84)</u>	<u>NA</u>
	<u>6,301</u>	<u>NA</u>	<u>10,732</u>	<u>NA</u>
Basic Earnings per Share (sen)	<u>3.19</u>	<u>NA</u>	<u>5.40</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 December 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-13 RM'000	As at Preceding Financial Year Ended 31-Dec-12 RM'000
ASSETS		
Non-Current Assets		
Property, plant & equipment	135,600	132,006
Investment property	-	463
Other investments	5	5
	<u>135,605</u>	<u>132,474</u>
Current Assets		
Inventories	37,819	41,492
Trade receivables	37,857	27,566
Other receivables and prepaid expenses	2,708	3,855
Tax recoverable	1,865	3,590
Derivative financial assets	10	-
Fixed deposit, bank and cash balances	25,330	17,857
	<u>105,589</u>	<u>94,360</u>
TOTAL ASSETS	241,194	226,834
EQUITY AND LIABILITIES		
Equity Attributable to Owners of the Company		
Share capital	40,000	40,000
Reserves	82,024	71,208
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	<u>122,024</u>	<u>111,208</u>
NON-CONTROLLING INTERESTS	(106)	(22)
TOTAL EQUITY	<u>121,918</u>	<u>111,186</u>
Non-Current Liabilities		
Term loan	2,216	2,664
Hire purchase payable	3,296	6,181
Deferred tax liabilities	7,560	7,016
	<u>13,072</u>	<u>15,861</u>
Current Liabilities		
Trade payables	18,833	14,740
Other payables and accrued expenses	10,204	9,521
Hire purchase payables	7,164	7,961
Overdraft & short term borrowings	70,003	67,565
	<u>106,204</u>	<u>99,787</u>
TOTAL LIABILITIES	<u>119,276</u>	<u>115,648</u>
TOTAL EQUITY AND LIABILITIES	241,194	226,834
<i>Net asset per share attributable to Ordinary Equity Holders of the Parent (RM)</i>	<i>0.61</i>	<i>0.56</i>

Notes:

- The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Consolidated Financial Statements for the year ended 31 December 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 January 2013	40,000	(26,078)	8,011	4,032	3	(101)	85,341	111,208	(22)	111,186
Total Comprehensive Income for the period					-	16	10,800	10,816	(84)	10,732
Dividend paid								-		-
Balance as at 30 June 2013	40,000	(26,078)	8,011	4,032	3	(85)	96,141	122,024	(106)	121,918
Balance as at 1 January 2012	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
Dividend paid	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Balance as at 30 June 2012	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 Financial Statement for the year ended 31 December 2012.*

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

	Current Year To Date 30-Jun-13 RM'000	Preceding Year To Date 30-Jun-12 RM'000
Profit before taxation	13,446	NA
Adjustments for non-cash flow:		
Non-cash items	4,670	NA
Non-operating items	2,146	NA
Operating profit before working capital changes	<u>20,262</u>	<u>NA</u>
Changes in working capital		
Net changes in current assets	(4,518)	NA
Net changes in current liabilities	3,710	NA
Cash generated from operations	<u>19,454</u>	<u>NA</u>
Income tax paid	(460)	NA
Net Cash Flow from Operating Activities	<u>18,994</u>	<u>NA</u>
Interest income received	27	NA
Proceeds from disposal of property, plant and equipment	1,887	NA
Purchase of property, plant and equipment	(9,657)	NA
Net Cash Flow from/(used in) Investing Activities	<u>(7,743)</u>	<u>NA</u>
Bank borrowings	(1,866)	NA
Finance cost paid	(2,084)	NA
Net (increase)/decrease in fixed deposit pledged	(65)	NA
Net Cash Flow from/(used in) Financing Activities	<u>(4,015)</u>	<u>NA</u>
Net Increase/(Decrease) in cash and cash equivalents	7,236	NA
Cash and cash equivalents at the beginning of the financial period	16,309	NA
Cash and cash equivalents at the end of the financial period	<u>23,545</u>	<u>NA</u>
Cash and cash equivalents comprise:		
Bank and cash balances	24,209	NA
Fixed deposits	1,121	NA
Bank overdrafts	(783)	NA
	<u>24,547</u>	<u>NA</u>
Less: fixed deposits pledged	(1,002)	NA
	<u>23,545</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 December 2012.*

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NOTES TO THE QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2013

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 December 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 December 2012 except for the adoption of the following new and revised FRSs effective on or after 1 January 2013:

FRSs and IC Interpretations (including the Consequential Amendments)	Effective Date
FRS 9 : Financial Instruments	1 January 2015
Amendments to FRS 9 : Mandatory Effective Date of FRS 9 and Transition Disclosures	1 January 2015
Amendments to FRS 10 : Investment Entities FRS 12 and FRS 127	1 January 2014
Amendments to FRS 132 : Offsetting Financial Assets and Financial Liabilities	1 January 2014

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.

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 December 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	104,084	10,095
b. Investment and Trading of animal health	57,232	3,351
Total	161,316	13,446

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	1,294
Approved but not contracted for	9,874

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.

A14. Changes in Contingent Liabilities or Contingent Assets

There were no contingent liabilities and contingent assets other than the corporate guarantee of RM151.7 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 arm-length.

	Current Quarter 6-month ended 30-Jun-13 RM'000	Cumulative YTD 6-month ended 30-Jun-13 RM'000
Sales of eggs, veterinary products and egg trays	7,253	15,121
Purchase of day-old-chick, veterinary products and raw materials	5,265	9,720
Transportation	1,053	2,328
Other services	21	37

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 June 2013 RM'000	Preceding Year Corresponding Quarter 30 June 2012 RM'000	Current year-to-date 30 June 2013 RM'000	Preceding Year Corresponding Period 30 June 2012 RM'000
REVENUE				
Poultry Farming	52,839	NA	104,084	NA
Investment and Trading	29,391	NA	57,232	NA
	<u>82,230</u>	<u>NA</u>	<u>161,316</u>	<u>NA</u>
PROFIT/(LOSS) BEFORE TAX				
Poultry Farming	6,586	NA	10,095	NA
Investment and Trading	1,309	NA	3,351	NA
	<u>7,895</u>	<u>NA</u>	<u>13,446</u>	<u>NA</u>

The Group recorded a pre-tax profit of approximately RM13.4 million on the back of revenue of RM161.3 million for the current period under review.

Poultry Farming

The Group recorded revenue of RM104.1 million and a pre-tax profit of RM10.1 million for the current period under review were due to the stable selling price of eggs coupled with lower feed price.

Investment and Trading

The Group recorded revenue of RM57.2 million which was contributed from the animal health products and foreign subsidiary company for the current period. It recorded a pre-tax profit of RM3.4 million for the segment.

B2. Comparison with the Immediate Preceding Quarter's Results

	Current	Preceding	Variance	
	Quarter ended 30 June 2013 RM'000	Quarter ended 31 Mar 2013 RM'000	RM'000	%
Revenue	82,230	79,086	3,144	4.0%
Profit/(Loss) before taxation	7,895	5,551	2,344	42.2%

The Group's revenue increased from RM79.1 million to RM82.2 million representing an increase of approximate 4% was due to the increase in sales quantity of eggs coupled with low raw material cost for the current quarter. In line with the increase in revenue, the Group recorded an increase in pre-tax profit by RM 2.3 million in current quarter.

B3. Current Year Prospects

In view of the current stable selling price, the Directors are of the opinion that the Group's financial performance for the remaining 6 months period ending 31 December 2013 is optimistic.

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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 2013 RM'000	Current Year to date ended 30 June 2013 RM'000
Current year provision	1,074	2,186
Deferred taxation	513	544
	<u>1,587</u>	<u>2,730</u>

The Group's income tax for the current financial period to date reflects a lower effective tax rate than the statutory income tax rate due to the utilization of unabsorbed losses carried forward.

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 2013 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings	8,092	61,130	69,222
Hire Purchase - current	7,164	-	7,164
Hire Purchase - non-current	3,296	-	3,296
Long term borrowings - current	781	-	781
Long term borrowings - non-current	2,216	-	2,216
Total	<u>21,549</u>	<u>61,130</u>	<u>82,679</u>

The Group borrowings are denominated in following currency:

		'000
Ringgit Malaysia	RM	82,567
Singapore Dollar	SGD	44

B8. Financial Instruments

The Group entered into the following foreign currency contract to hedge its foreign purchase as at 30 June 2013:

Forward Foreign Currency Contracts	Notional Value (RM'000)	Fair Value (RM'000)	Fair Value Change (RM'000)
US Dollar (USD)			
- less than 1 year	837	847	10

B9. Material Litigations

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

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B10 Dividend Payable

The Board of Directors declared an interim single-tier dividend of 5% amounting to approximately RM2,000,000 in respect of the current financial year.

B11. Realised and Unrealised Profit/(Loss)

	Current Quarter ended 30 June 2013 RM'000	Preceding Quarter ended 31 Mar 2013 RM'000
Realised profit	103,634	96,923
Unrealised loss	(7,493)	(7,157)
Retained profit	<u>96,141</u>	<u>89,766</u>

B12. 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 2013	Preceding Year Corresponding Quarter 30 June 2012	Current YTD 30 June 2013	Preceding YTD 30 June 2012
Profit attributable to Ordinary Equity Holders of the Parent (RM'000)	6,376	NA	10,800	NA
Number of ordinary shares in issue ('000)	200,000	NA	200,000	NA
Basic earnings per share (sen)	<u>3.19</u>	NA	<u>5.40</u>	NA

B13. Notes to the Statement of Comprehensive Income

	Current Quarter ended 30 June 2013 RM'000	Current Year-to-date 30 June 2013 RM'000
Interest income	(10)	(27)
Other income	(245)	(821)
Depreciation and amortisation	2,594	5,193
Provision for and write off receivables	-	54
(Gain)/Loss on foreign exchange	(170)	(471)

B12. Authorisation for Issue

The financial statement were authorised for issue by the Board of Directors on 26 August 2013.