

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

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30-Sep-13 RM'000	30-Sep-12 RM'000	30-Sep-13 RM'000	30-Sep-12 RM'000
Revenue	80,288	NA	241,604	NA
Operating Expenses	(71,251)	NA	(218,356)	NA
Other Income	1,061	NA	2,380	NA
Finance Cost	(986)	NA	(3,070)	NA
Profit before Taxation	<u>9,112</u>	<u>NA</u>	<u>22,558</u>	<u>NA</u>
Tax Expense	(2,313)	NA	(5,043)	NA
Profit for the Period	<u>6,799</u>	<u>NA</u>	<u>17,515</u>	<u>NA</u>
Other Comprehensive Income:				
Available-for-sale Financial Assets	-	NA	(0)	NA
Currency Translation Differences	(32)	NA	(16)	NA
Total Comprehensive Income for the Period	<u>6,767</u>	<u>NA</u>	<u>17,499</u>	<u>NA</u>
<i>Profit/(Loss) for the period attributable to:</i>				
Equity holders of the parent	6,895	NA	17,695	NA
Non-controlling interest	<u>(96)</u>	<u>NA</u>	<u>(180)</u>	<u>NA</u>
	<u>6,799</u>	<u>NA</u>	<u>17,515</u>	<u>NA</u>
<i>Total Comprehensive Income/(Expense) attributable to:</i>				
Equity holders of the parent	6,863	NA	17,679	NA
Non-controlling interest	<u>(96)</u>	<u>NA</u>	<u>(180)</u>	<u>NA</u>
	<u>6,767</u>	<u>NA</u>	<u>17,499</u>	<u>NA</u>
Basic Earnings per Share (sen)	<u>3.45</u>	<u>NA</u>	<u>8.85</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-Sep-13 RM'000	As at Preceding Financial Year Ended 31-Dec-12 RM'000
ASSETS		
Non-Current Assets		
Property, plant & equipment	138,329	132,006
Investment property	-	463
Other investments	6	5
	<u>138,335</u>	<u>132,474</u>
Current Assets		
Inventories	42,409	41,492
Trade receivables	39,353	27,566
Other receivables and prepaid expenses	3,238	3,855
Tax recoverable	1,731	3,590
Derivative financial assets	9	-
Fixed deposit, bank and cash balances	24,011	17,857
	<u>110,751</u>	<u>94,360</u>
TOTAL ASSETS	249,086	226,834
EQUITY AND LIABILITIES		
Equity Attributable to Owners of the Company		
Share capital	40,000	40,000
Reserves	86,887	71,208
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	<u>126,887</u>	<u>111,208</u>
NON-CONTROLLING INTERESTS	(202)	(22)
TOTAL EQUITY	<u>126,685</u>	<u>111,186</u>
Non-Current Liabilities		
Term loan	1,989	2,664
Hire purchase payable	3,052	6,181
Deferred tax liabilities	8,518	7,016
	<u>13,559</u>	<u>15,861</u>
Current Liabilities		
Trade payables	22,195	14,740
Other payables and accrued expenses	9,272	9,521
Hire purchase payables	6,778	7,961
Overdraft & short term borrowings	70,597	67,565
	<u>108,842</u>	<u>99,787</u>
TOTAL LIABILITIES	<u>122,401</u>	<u>115,648</u>
TOTAL EQUITY AND LIABILITIES	249,086	226,834
<i>Net asset per share attributable to Ordinary Equity Holders of the Parent (RM)</i>	<i>0.63</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)	17,695	17,679	(180)	17,499
Dividend paid							(2,000)	(2,000)	-	(2,000)
Balance as at 30 September 2013	40,000	(26,078)	8,011	4,032	3	(117)	101,036	126,887	(202)	126,685
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 September 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)
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	Current Year To Date 30-Sep-13 RM'000	Preceding Year To Date 30-Sep-12 RM'000
Profit before taxation	22,558	NA
Adjustments for non-cash flow:		
Non-cash items	6,943	NA
Non-operating items	3,029	NA
Operating profit before working capital changes	<u>32,530</u>	<u>NA</u>
Changes in working capital		
Net changes in current assets	(10,665)	NA
Net changes in current liabilities	6,140	NA
Cash generated from operations	<u>28,005</u>	<u>NA</u>
Income tax paid	(1,682)	NA
Net Cash Flow from Operating Activities	<u>26,323</u>	<u>NA</u>
Interest income received	41	NA
Proceeds from disposal of property, plant and equipment	3,320	NA
Purchase of property, plant and equipment	(14,623)	NA
Net Cash Flow from/(used in) Investing Activities	<u>(11,262)</u>	<u>NA</u>
Bank borrowings	(3,842)	NA
Finance cost paid	(3,070)	NA
Net (increase)/decrease in fixed deposit pledged	410	NA
Dividend paid	(2,000)	NA
Net Cash Flow from/(used in) Financing Activities	<u>(8,502)</u>	<u>NA</u>
Net Increase/(Decrease) in cash and cash equivalents	6,559	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>22,868</u>	<u>NA</u>
Cash and cash equivalents comprise:		
Bank and cash balances	23,366	NA
Fixed deposits	645	NA
Bank overdrafts	(616)	NA
	<u>23,395</u>	<u>NA</u>
Less: fixed deposits pledged	(527)	NA
	<u>22,868</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.*

NOTES TO THE QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 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	1 January 2014
FRS 12 and FRS 127	
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

An interim single-tier dividend of 5% or approximately RM2,000,000 for the current financial year ending 31 December 2013 was paid on 20 September 2013.

A9. Segmental Reporting

The segmental revenue and results for business segments for the current financial year to date are as follows:

Segmental Analysis (by Activities)	Segmental Revenue RM'000	Profit/(Loss) before Taxation RM'000
a. Poultry Farming	154,299	17,342
b. Investment and Trading of related poultry products	87,305	5,216
Total	241,604	22,558

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	9,592
Approved but not contracted for	3,292

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 RM150.7 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 3-months ended 30-Sep-13 RM'000	Cumulative YTD 9-months ended 30-Sep-13 RM'000
Sales of eggs, veterinary products and egg trays	6,438	21,559
Purchase of day-old-chick, veterinary products and raw materials	8,278	17,998
Transportation	1,330	3,658
Other services	20	57

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 2013 RM'000	Preceding Year Corresponding Quarter 30 Sep 2012 RM'000	Current year-to-date 30 Sep 2013 RM'000	Preceding Year Corresponding Period 30 Sep 2012 RM'000
REVENUE				
Poultry Farming	50,215	NA	154,299	NA
Investment and Trading	30,073	NA	87,305	NA
	<u>80,288</u>	<u>NA</u>	<u>241,604</u>	<u>NA</u>
PROFIT/(LOSS) BEFORE TAX				
Poultry Farming	7,247	NA	17,342	NA
Investment and Trading	1,865	NA	5,216	NA
	<u>9,112</u>	<u>NA</u>	<u>22,558</u>	<u>NA</u>

The Group recorded a pre-tax profit of approximately RM22.6 million on the back of revenue of RM241.6 million for the current period under review.

Poultry Farming

The Group recorded revenue of RM154.3 million and a pre-tax profit of RM17.3 million for the current period under review were due to the stable selling price of eggs coupled with low feed price.

Investment and Trading

The Group recorded revenue of RM87.3 million which was continuously contributed from the sales of animal health products and foreign subsidiary company for the current period. It recorded a pre-tax profit of RM5.2 million for the segment.

B2. Comparison with the Immediate Preceding Quarter's Results

	Current	Preceding	Variance	
	Quarter ended 30 Sep 2013 RM'000	Quarter ended 30 June 2013 RM'000	RM'000	%
Revenue	80,288	82,230	(1,942)	-2.4%
Profit/(Loss) before taxation	9,112	7,895	1,217	15.4%

The Group's revenue decreased from RM82.2 million to RM80.3 million representing a decrease of approximate 2.4% was due to the lower demand for animal health products. However, the Group recorded a higher pre-tax profit by RM1.2 million in the current quarter resulted from the improved selling price of poultry products.

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 3 months period ending 31 December 2013 is satisfactory.

TEO SENG CAPITAL BERHAD (732762-T)*(Incorporated in Malaysia)***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 2013 RM'000	Current Year to date ended 30 Sep 2013 RM'000
Current year provision	1,322	3,508
Deferred taxation	991	1,535
	2,313	5,043

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 September 2013 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings	7,384	62,419	69,803
Hire Purchase - current	6,778	-	6,778
Hire Purchase - non-current	3,052	-	3,052
Long term borrowings - current	794	-	794
Long term borrowings - non-current	1,989	-	1,989
Total	19,997	62,419	82,416

The Group borrowings are denominated in following currency:

		'000
Ringgit Malaysia	RM	82,337
Singapore Dollar	SGD	30

B8. Financial Instruments

The Group entered into the following foreign currency contract to hedge its foreign purchase as at 30 September 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	254	264	9

B9. Material Litigations

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

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B10 Dividend Payable

An interim single-tier dividend of 5% or approximately RM2,000,000 for the current financial year ending 31 December 2013 was declared on 27 August 2013 and paid on 20 September 2013.

B11. Realised and Unrealised Profit/(Loss)

	Current Quarter ended 30 Sep 2013 RM'000	Preceding Quarter ended 30 June 2013 RM'000
Realised profit	109,901	103,634
Unrealised loss	(8,865)	(7,493)
Retained profit	<u>101,036</u>	<u>96,141</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 Sep 2013	Preceding Year Corresponding Quarter 30 Sep 2012	Current YTD 30 Sep 2013	Preceding YTD 31 Sep 2012
Profit attributable to Ordinary Equity Holders of the Parent (RM'000)	6,895	NA	17,695	NA
Number of ordinary shares in issue ('000)	200,000	NA	200,000	NA
Basic earnings per share (sen)	<u>3.45</u>	NA	<u>8.85</u>	NA

B13. Notes to the Statement of Comprehensive Income

	Current Quarter ended 30 Sep 2013 RM'000	Current Year-to-date 30 Sep 2013 RM'000
Interest income	(14)	(41)
Other income	(319)	(1,140)
Depreciation and amortisation	2,631	7,824
Provision for and write off receivables	85	139
(Gain)/Loss on foreign exchange	(729)	(1,200)

B12. Authorisation for Issue

The financial statement were authorised for issue by the Board of Directors on 29 November 2013.