

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 DECEMBER 2013**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31-Dec-13 RM'000	31-Dec-12 RM'000	31-Dec-13 RM'000	31-Dec-12 RM'000
Revenue	89,155	NA	330,759	NA
Operating Expenses	(81,213)	NA	(299,569)	NA
Other Income	479	NA	2,859	NA
Finance Cost	(1,018)	NA	(4,088)	NA
Profit before Taxation	<u>7,403</u>	<u>NA</u>	<u>29,961</u>	<u>NA</u>
Tax Expense	(1,543)	NA	(6,586)	NA
Profit for the Period	<u>5,860</u>	<u>NA</u>	<u>23,375</u>	<u>NA</u>
Other Comprehensive Income:				
Available-for-sale Financial Assets	1	NA	1	NA
Currency Translation Differences	(3)	NA	(19)	NA
Total Comprehensive Income for the Period	<u>5,858</u>	<u>NA</u>	<u>23,357</u>	<u>NA</u>
<i>Profit/(Loss) for the period attributable to:</i>				
Equity holders of the parent	5,729	NA	23,424	NA
Non-controlling interest	<u>131</u>	<u>NA</u>	<u>(49)</u>	<u>NA</u>
	<u>5,860</u>	<u>NA</u>	<u>23,375</u>	<u>NA</u>
<i>Total Comprehensive Income/(Expense) attributable to:</i>				
Equity holders of the parent	5,727	NA	23,406	NA
Non-controlling interest	<u>131</u>	<u>NA</u>	<u>(49)</u>	<u>NA</u>
	<u>5,858</u>	<u>NA</u>	<u>23,357</u>	<u>NA</u>
Basic Earnings per Share (sen)	<u>2.86</u>	<u>NA</u>	<u>11.71</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 31-Dec-13 RM'000	As at Preceding Financial Year Ended 31-Dec-12 RM'000
ASSETS		
Non-Current Assets		
Property, plant & equipment	142,899	132,006
Investment property	-	463
Other investments	6	5
Deferred tax asset	303	-
	<u>143,208</u>	<u>132,474</u>
Current Assets		
Inventories	40,966	41,492
Trade receivables	33,050	27,566
Other receivables and prepaid expenses	2,199	3,855
Tax recoverable	1,124	3,590
Derivative financial assets	17	-
Fixed deposit, bank and cash balances	35,656	17,857
	<u>113,012</u>	<u>94,360</u>
TOTAL ASSETS	256,220	226,834
EQUITY AND LIABILITIES		
Equity Attributable to Owners of the Company		
Share capital	40,000	40,000
Reserves	92,614	71,208
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	<u>132,614</u>	<u>111,208</u>
NON-CONTROLLING INTERESTS	(71)	(22)
TOTAL EQUITY	<u>132,543</u>	<u>111,186</u>
Non-Current Liabilities		
Term loan	1,762	2,664
Hire purchase payable	2,989	6,181
Deferred tax liabilities	8,590	7,016
	<u>13,341</u>	<u>15,861</u>
Current Liabilities		
Trade payables	14,456	14,740
Other payables and accrued expenses	14,943	9,521
Hire purchase payables	6,111	7,961
Overdraft & short term borrowings	74,826	67,565
	<u>110,336</u>	<u>99,787</u>
TOTAL LIABILITIES	<u>123,677</u>	<u>115,648</u>
TOTAL EQUITY AND LIABILITIES	256,220	226,834
<i>Net asset per share attributable to Ordinary Equity Holders of the Parent (RM)</i>	<i>0.66</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					1	(19)	23,424	23,406	(49)	23,357
Dividend paid							(2,000)	(2,000)	-	(2,000)
Balance as at 31 December 2013	40,000	(26,078)	8,011	4,032	4	(120)	106,765	132,614	(71)	132,543
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 31 December 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 31-Dec-13 RM'000	Preceding Year To Date 31-Dec-12 RM'000
Profit before taxation	29,961	NA
Adjustments for non-cash flow:		
Non-cash items	10,155	NA
Non-operating items	4,028	NA
Operating profit before working capital changes	<u>44,144</u>	<u>NA</u>
Changes in working capital		
Net changes in current assets	(2,433)	NA
Net changes in current liabilities	4,070	NA
Cash generated from operations	<u>45,781</u>	<u>NA</u>
Income tax paid	(2,848)	NA
Net Cash Flow from Operating Activities	<u>42,933</u>	<u>NA</u>
Interest income received	60	NA
Proceeds from disposal of property, plant and equipment	1,969	NA
Purchase of property, plant and equipment	(19,021)	NA
Net Cash Flow from/(used in) Investing Activities	<u>(16,992)</u>	<u>NA</u>
Bank borrowings	(2,369)	NA
Finance cost paid	(4,088)	NA
Net (increase)/decrease in fixed deposit pledged	407	NA
Dividend paid	(2,000)	NA
Net Cash Flow from/(used in) Financing Activities	<u>(8,050)</u>	<u>NA</u>
Net Increase/(Decrease) in cash and cash equivalents	17,891	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>34,200</u>	<u>NA</u>
	-	
Cash and cash equivalents comprise:		
Bank and cash balances	34,008	NA
Fixed deposits	1,648	NA
Bank overdrafts	(926)	NA
	<u>34,730</u>	<u>NA</u>
Less: fixed deposits pledged	(530)	NA
	<u>34,200</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 FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 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.

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However, MASB extended transitional period for Transitioning Entities on 7 August 2013. Transitioning Entities continue to have the option to either apply with the MFRS Framework or the FRS Framework for annual periods beginning on or after 1 January 2015.

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 2015.

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	Profit/(Loss) before Taxation
	RM'000	RM'000
a. Poultry Farming	208,713	24,220
b. Investment and Trading of related poultry products	122,046	5,741
Total	330,759	29,961

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.

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A11. Capital Commitments

Capital commitments as at end of the current quarter are as follows:

	Total RM'000
Contracted but not provided for	<u>293</u>
Approved but not contracted for	<u>1,785</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.

A14. Changes in Contingent Liabilities or Contingent Assets

There were no contingent liabilities and contingent assets other than the corporate guarantee of RM162.6 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 31-Dec-13 RM'000	Cumulative YTD 12-months ended 31-Dec-13 RM'000
Sales of eggs, veterinary products and egg trays	5,699	27,258
Purchase of day-old-chick, veterinary products and raw materials	9,394	27,392
Transportation	1,303	4,961
Other services	28	85

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 31 Dec 2013 RM'000	Preceding Year Corresponding Quarter 31 Dec 2012 RM'000	Current year-to-date 31 Dec 2013 RM'000	Preceding Year Corresponding Period 31 Dec 2012 RM'000
REVENUE				
Poultry Farming	54,414	NA	208,713	NA
Investment and Trading	34,741	NA	122,046	NA
	<u>89,155</u>	<u>NA</u>	<u>330,759</u>	<u>NA</u>
PROFIT/(LOSS) BEFORE TAX				
Poultry Farming	6,878	NA	24,220	NA
Investment and Trading	525	NA	5,741	NA
	<u>7,403</u>	<u>NA</u>	<u>29,961</u>	<u>NA</u>

The Group recorded a pre-tax profit of approximately RM30.0 million on the back of revenue of RM330.8 million for the current period under review.

Poultry Farming

The Group recorded revenue of RM208.7 million and a pre-tax profit of RM24.2 million for the current period under review were due to the improved selling price of eggs coupled with stable feed price.

Investment and Trading

The Group recorded revenue of RM122.0 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 RM5.7 million for the segment.

B2. Comparison with the Immediate Preceding Quarter's Results

	Current	Preceding	Variance	
	Quarter ended 31 Dec 2013 RM'000	Quarter ended 30 Sep 2013 RM'000	RM'000	%
Revenue	89,155	80,288	8,867	11.0%
Profit/(Loss) before taxation	7,403	9,112	(1,709)	-18.8%

The Group's revenue increased from RM80.3 million to RM89.2 million representing an increase of approximate 11.0% was due to the higher selling price of eggs. However, the Group recorded a lower pre-tax profit by RM1.7 million in the current quarter resulted from higher operating expenses.

B3. Current Year Prospects

In view of the current stabled selling price, the Directors are optimistic for the forthcoming year Group's financial performance.

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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 31 Dec 2013 RM'000	Current Year to date ended 31 Dec 2013 RM'000
Current year provision	2,320	5,828
Overprovision in prior year	(548)	(548)
Deferred taxation	(264)	1,271
Real Property Gain Tax ("RPGT")	35	35
	<u>1,543</u>	<u>6,586</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 31 December 2013 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings	9,264	64,757	74,021
Hire Purchase - current	6,111	-	6,111
Hire Purchase - non-current	2,989	-	2,989
Long term borrowings - current	805	-	805
Long term borrowings - non-current	1,762	-	1,762
Total	<u>20,931</u>	<u>64,757</u>	<u>85,688</u>

The Group borrowings are denominated in following currency:

		'000
Ringgit Malaysia	RM	85,646
Singapore Dollar	SGD	16

B8. Financial Instruments

There was no foreign currency contracts entered as at 31 December 2013.

B9. Material Litigations

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

B10. Dividend Payable

The Board of Directors proposed a final single-tier dividend of 7.50% amounting to approximate RM3,000,000 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.

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B11. Realised and Unrealised Profit/(Loss)

	Current Quarter ended 31 Dec 2013 RM'000	Preceding Quarter ended 30 Sep 2013 RM'000
Realised profit	115,231	109,901
Unrealised loss	(8,466)	(8,865)
Retained profit	<u>106,765</u>	<u>101,036</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 31 Dec 2013	Preceding Year Corresponding Quarter 31 Dec 2012	Current YTD 31 Dec 2013	Preceding YTD 31 Dec 2012
Profit attributable to Ordinary Equity Holders of the Parent (RM'000)	5,729	NA	23,424	NA
Number of ordinary shares in issue ('000)	200,000	NA	200,000	NA
Basic earnings per share (sen)	<u>2.86</u>	NA	<u>11.71</u>	NA

B13. Notes to the Statement of Comprehensive Income

	Current Quarter ended 31 Dec 2013 RM'000	Current Year-to-date 31 Dec 2013 RM'000
Interest income	(19)	(60)
Other income	(1,642)	(2,782)
Depreciation and amortisation	2,686	10,510
Provision for and write off receivables	47	186
(Gain)/Loss on derivative	(17)	(17)
(Gain)/Loss on foreign exchange	(303)	(1,503)

B12. Authorisation for Issue

The financial statement were authorised for issue by the Board of Directors on 24 February 2014.