

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 31 MARCH 2014**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31-Mar-14 RM'000	31-Mar-13 RM'000	31-Mar-14 RM'000	31-Mar-13 RM'000
Revenue	87,041	79,086	87,041	79,086
Operating Expenses	(73,062)	(73,398)	(73,062)	(73,398)
Other Income	601	895	601	895
Finance Cost	(1,027)	(1,032)	(1,027)	(1,032)
Profit before Taxation	<u>13,553</u>	<u>5,551</u>	<u>13,553</u>	<u>5,551</u>
Tax Expense	(3,143)	(1,143)	(3,143)	(1,143)
<b>Profit for the Period</b>	<b><u>10,410</u></b>	<b><u>4,408</u></b>	<b><u>10,410</u></b>	<b><u>4,408</u></b>
Other Comprehensive Income:				
Available-for-sale Financial Assets	0	-	0	-
Currency Translation Differences	4	23	4	23
<b>Total Comprehensive Income for the Period</b>	<b><u>10,414</u></b>	<b><u>4,431</u></b>	<b><u>10,414</u></b>	<b><u>4,431</u></b>
<i>Profit/(Loss) for the period attributable to:</i>				
Equity holders of the parent	10,271	4,424	10,271	4,424
Non-controlling interest	<u>139</u>	<u>(16)</u>	<u>139</u>	<u>(16)</u>
	<u>10,410</u>	<u>4,408</u>	<u>10,410</u>	<u>4,408</u>
<i>Total Comprehensive Income/(Expense) attributable to:</i>				
Equity holders of the parent	10,275	4,447	10,275	4,447
Non-controlling interest	<u>139</u>	<u>(16)</u>	<u>139</u>	<u>(16)</u>
	<u>10,414</u>	<u>4,431</u>	<u>10,414</u>	<u>4,431</u>
<b>Basic Earnings per Share (sen)</b>	<b><u>5.14</u></b>	<b><u>2.21</u></b>	<b><u>5.14</u></b>	<b><u>2.21</u></b>

Notes:

1. *The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013.*

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

	As at end of Current Quarter 31-Mar-14 RM'000	As at Preceding Financial Year Ended 31-Dec-13 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant & equipment	145,881	142,899
Other investments	7	6
Deferred tax asset	303	303
	<u>146,191</u>	<u>143,208</u>
<b>Current Assets</b>		
Inventories	40,510	41,228
Trade receivables	32,224	33,245
Other receivables and prepaid expenses	6,410	2,199
Tax recoverable	688	1,124
Derivative financial assets	13	17
Fixed deposit, bank and cash balances	45,536	35,656
	<u>125,381</u>	<u>113,469</u>
<b>TOTAL ASSETS</b>	<b>271,572</b>	<b>256,677</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable to Owners of the Company</b>		
Share capital	40,000	40,000
Reserves	102,889	92,614
<b>TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	<u>142,889</u>	<u>132,614</u>
<b>NON-CONTROLLING INTERESTS</b>	68	(71)
<b>TOTAL EQUITY</b>	<u>142,957</u>	<u>132,543</u>
<b>Non-Current Liabilities</b>		
Term loan	3,905	1,761
Hire purchase payable	2,695	2,989
Deferred tax liabilities	9,142	8,590
	<u>15,742</u>	<u>13,340</u>
<b>Current Liabilities</b>		
Trade payables	15,124	14,912
Other payables and accrued expenses	16,496	14,943
Hire purchase payables	5,101	6,111
Overdraft & short term borrowings	76,152	74,828
	<u>112,873</u>	<u>110,794</u>
<b>TOTAL LIABILITIES</b>	<u>128,615</u>	<u>124,134</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>271,572</b>	<b>256,677</b>
<i>Net asset per share attributable to Ordinary Equity Holders of the Parent (RM)</i>	<i>0.71</i>	<i>0.66</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 2013.*

**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 2014	40,000	(26,078)	8,011	4,032	4	(120)	106,765	132,614	(71)	132,543
Total Comprehensive Income for the period					-	4	10,271	10,275	139	10,414
Dividend paid								-	-	-
Balance as at 31 March 2014	40,000	(26,078)	8,011	4,032	4	(116)	117,036	142,889	68	142,957
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						23	4,424	4,447	(16)	4,431
Dividend paid							-	-	-	-
Balance as at 31 March 2013	40,000	(26,078)	8,011	4,032	3	(78)	89,765	115,655	(38)	115,617

*Notes:*

- The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statement for the year ended 31 December 2013.*

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

	Current Year To Date 31-Mar-14 RM'000	Preceding Year To Date 31-Mar-13 RM'000
Profit before taxation	13,553	5,551
Adjustments for non-cash flow:		
Non-cash items	2,845	2,197
Non-operating items	950	877
Operating profit before working capital changes	<u>17,348</u>	<u>8,625</u>
Changes in working capital		
Net changes in current assets	(2,498)	(3,482)
Net changes in current liabilities	1,765	521
Cash generated from operations	<u>16,615</u>	<u>5,664</u>
Income tax paid	(2,174)	(872)
<b>Net Cash Flow from Operating Activities</b>	<b><u>14,441</u></b>	<b><u>4,792</u></b>
Interest income received	43	17
Proceeds from disposal of property, plant and equipment	93	1,300
Purchase of property, plant and equipment	(3,895)	(7,598)
<b>Net Cash Flow from/(used in) Investing Activities</b>	<b><u>(3,759)</u></b>	<b><u>(6,281)</u></b>
Bank borrowings	950	2,314
Finance cost paid	(1,027)	(1,032)
Net (increase)/decrease in fixed deposit pledged	(7)	(14)
<b>Net Cash Flow from/(used in) Financing Activities</b>	<b><u>(84)</u></b>	<b><u>1,268</u></b>
<b>Net Increase/(Decrease) in cash and cash equivalents</b>	<b>10,598</b>	<b>(221)</b>
<b>Cash and cash equivalents at the beginning of the financial period</b>	<b>34,200</b>	<b>16,309</b>
<b>Cash and cash equivalents at the end of the financial period</b>	<b><u>44,798</u></b>	<b><u>16,088</u></b>
<b>Cash and cash equivalents comprise:</b>		
Bank and cash balances	44,881	18,110
Fixed deposits	655	1,070
Bank overdrafts	(201)	(2,141)
	<u>45,335</u>	<u>17,039</u>
Less: fixed deposits pledged	(537)	(951)
	<b><u>44,798</u></b>	<b><u>16,088</u></b>

*Notes:*

- The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013*

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**NOTES TO THE QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST FINANCIAL QUARTER ENDED 31 MARCH 2014**

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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 December 2013 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 2013 except for the adoption of the following new and revised FRSs effective on or after 1 January 2014:

**FRSs and IC Interpretations**

**(including the Consequential Amendments)**

**Effective Date**

FRS 9 (2009)	: Financial Instruments	} to be announced by MASB
FRS 9 (2010)	: Financial Instruments	
FRS 9	: Financial Instruments (Hedge Accounting and Amendments to FRS 7, FRS 9 and FRS 139)	
Amendments to FRS 9 and FRS 7	: Mandatory Effective Date of FRS 9 and Transition Disclosures	
Amendments to FRS 119	: Defined Benefit Plans – Employee Contributions	1 July 2014
Annual Improvements to FRSs 2010 – 2012 Cycle		1 July 2014
Annual Improvements to FRSs 2011 – 2013 Cycle		1 July 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 International Financial Reporting Standards (“IFRS”).

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 (Agreements for Construction of Real Estate), including its parent, significant investor and venturer (herein called “Transitioning Entities”). The Group falls within the definition of Transitioning Entities and has elected to present its first MFRSs financial statements when the MFRS framework become mandatory. Currently, the MASB has not announced as to when the Transitioning Entities are mandated to comply with the MFRS Framework. This is because of the revision in the project timeline on the issuance of new IFRS on Revenue and the proposed limited amendments to IAS 41 (Agriculture) by the International Accounting Standard Board. According, the Group is unable to assess the potential financial effects of the differences between the accounting standards under FRSs and the MFRSs.

#### **A3. Auditors’ Report**

There was no qualification on the audited financial statements for the financial year ended 31 December 2013.

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

<b>Segmental Analysis (by Activities)</b>	Segmental Revenue RM'000	Profit/(Loss) before Taxation RM'000
a. Poultry Farming	53,025	12,031
b. Investment and Trading of related poultry products	34,016	1,522
Total	87,041	13,553

**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	2,762
Approved but not contracted for	80

**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 RM158.9 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-Mar-14 RM'000	Cumulative YTD 3-months ended 31-Mar-14 RM'000
Sales of eggs, veterinary products and egg trays	5,555	5,555
Purchase of day-old-chick, verterinary products and raw materials	7,195	7,195
Transportation	1,303	1,303
Other services	19	19

**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 Mar 2014  RM'000	Preceding Year Corresponding Quarter 31 Mar 2013  RM'000	Current year-to-date 31 Mar 2014  RM'000	Preceding Year Corresponding Period 31 Mar 2013  RM'000
<b>REVENUE</b>				
Poultry Farming	53,025	51,245	53,025	51,245
Investment and Trading	34,016	27,841	34,016	27,841
	<u>87,041</u>	<u>79,086</u>	<u>87,041</u>	<u>79,086</u>
<b>PROFIT/(LOSS) BEFORE TAX</b>				
Poultry Farming	12,031	3,509	12,031	3,509
Investment and Trading	1,522	2,042	1,522	2,042
	<u>13,553</u>	<u>5,551</u>	<u>13,553</u>	<u>5,551</u>

The Group recorded a pre-tax profit of approximately RM13.6 million on the back of revenue of RM87.0 million for the current period under review.

Poultry Farming

The Group recorded revenue of RM53.0 million and a pre-tax profit of RM12.0 million for the current period under review were due to the better selling price of eggs coupled with lower feed price.

Investment and Trading

The Group recorded revenue of RM34.0 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 RM1.5 million for the segment.

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

	Current	Preceding	Variance	
	Quarter ended 31 Mar 2014  RM'000	Quarter ended 31 Dec 2013  RM'000	RM'000	%
Revenue	87,041	89,155	(2,114)	-2.4%
Profit/(Loss) before taxation	13,553	7,403	6,150	83.1%

The Group's revenue decreased from RM89.2 million to RM87.0 million representing a decrease of approximate 2.4% was due to the slow demand from animal health products. However, the Group recorded a higher pre-tax profit of RM13.6 million representing an increase of approximate 83.1% in the current quarter resulted from better selling price of eggs and coupled with lower feed cost.



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**B3. Current Year Prospects**

In view of the current stabled selling price, the Directors are optimistic on the financial performance for the remaining 9 months period ending 31 December 2014.

**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 Mar 2014 RM'000	Current Year to date ended 31 Mar 2014 RM'000
Current year provision	2,610	2,610
(Over)/Under provision in prior year	(19)	(19)
Deferred taxation	552	552
Real Property Gain Tax ("RPGT")	-	-
	3,143	3,143

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 unutilised capital allowances 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 March 2014 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings	8,829	66,437	75,266
Hire Purchase - current	5,101	-	5,101
Hire Purchase - non-current	2,695	-	2,695
Long term borrowings - current	886	-	886
Long term borrowings - non-current	3,905	-	3,905
Total	21,416	66,437	87,853

The Group borrowings are denominated in following currency:

		'000
Ringgit Malaysia	RM	87,838
Singapore Dollar	SGD	6

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**B8. Financial Instruments**

The Group entered into the following foreign currency contract to hedge its foreign purchase as at 31 March 2014:

Forward Foreign Currency Contracts	Notional Value (RM'000)	Fair Value (RM'000)	Fair Value Change (RM'000)
<b>Singapore Dollar (SGD)</b>			
- less than 1 year	6,167	6,180	13

**B9. Material Litigations**

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

**B10 Dividend Payable**

There was no dividend declared for the current quarter under review.

**B11. Realised and Unrealised Profit/(Loss)**

	Current Quarter ended 31 Mar 2014 RM'000	Preceding Quarter ended 31 Dec 2013 RM'000
Realised profit	125,896	114,840
Unrealised loss	(8,859)	(8,075)
Retained profit	<u>117,037</u>	<u>106,765</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 Mar 2014	Preceding Year Corresponding Quarter 31 Mar 2013	Current YTD 31 Mar 2014	Preceding YTD 31 Mar 2013
Profit attributable to Ordinary Equity Holders of the Parent (RM'000)	10,271	4,424	10,271	4,424
Number of ordinary shares in issue ('000)	200,000	200,000	200,000	200,000
Basic earnings per share (sen)	<u>5.14</u>	<u>2.21</u>	<u>5.14</u>	<u>2.21</u>

**B13. Notes to the Statement of Comprehensive Income**

	Current Quarter ended 31 Mar 2014 RM'000	Current Year-to-date 31 Mar 2014 RM'000
Interest income	(43)	(43)
Other income	(201)	(201)
Depreciation and amortisation	2,754	2,754
Provision for and write off receivables	-	-
(Gain)/Loss on derivative	3	3
(Gain)/Loss on foreign exchange	(360)	(360)

**B12. Authorisation for Issue**

The financial statements were authorised for issue by the Board of Directors on 26 May 2014.