

TEO SENG CAPITAL BERHAD (732762-T)*(Incorporated in Malaysia)***UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 DECEMBER 2014**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31-Dec-14 RM'000	31-Dec-13 RM'000	31-Dec-14 RM'000	31-Dec-13 RM'000
Revenue	108,458	89,155	380,933	330,759
Operating Expenses	(86,558)	(81,343)	(313,354)	(299,699)
Other Income	1,019	609	2,623	2,989
Finance Cost	(917)	(1,018)	(3,851)	(4,088)
Profit before Taxation	<u>22,002</u>	<u>7,403</u>	<u>66,351</u>	<u>29,961</u>
Tax Expense	(4,115)	(1,543)	(17,559)	(6,586)
Profit for the Period	<u>17,887</u>	<u>5,860</u>	<u>48,792</u>	<u>23,375</u>
Other Comprehensive Income:				
Available-for-sale Financial Assets	(1)	-	4	1
Currency Translation Differences	30	(3)	58	(19)
Total Comprehensive Income for the Period	<u>17,916</u>	<u>5,858</u>	<u>48,854</u>	<u>23,357</u>
<i>Profit/(Loss) for the period attributable to:</i>				
Equity holders of the parent	17,973	5,729	48,620	23,424
Non-controlling interest	(86)	131	172	(49)
	<u>17,887</u>	<u>5,860</u>	<u>48,792</u>	<u>23,375</u>
<i>Total Comprehensive Income/(Expense) attributable to:</i>				
Equity holders of the parent	18,002	5,727	48,682	23,406
Non-controlling interest	(86)	131	172	(49)
	<u>17,916</u>	<u>5,858</u>	<u>48,854</u>	<u>23,357</u>
Basic Earnings per Share (sen)	<u>8.99</u>	<u>2.86</u>	<u>24.31</u>	<u>11.71</u>

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)
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at Current Financial Year Ended 31-Dec-14 RM'000	As at Preceding Financial Year Ended 31-Dec-13 RM'000
ASSETS		
Non-Current Assets		
Property, plant & equipment	160,297	142,899
Other investments	11	6
Deferred tax asset	105	303
	<u>160,413</u>	<u>143,208</u>
Current Assets		
Inventories	47,632	41,228
Trade receivables	42,877	33,245
Other receivables and prepaid expenses	4,430	2,199
Tax recoverable	-	1,124
Derivative assets	96	17
Fixed deposit, bank and cash balances	39,739	35,656
	<u>134,774</u>	<u>113,469</u>
TOTAL ASSETS	295,187	256,677
EQUITY AND LIABILITIES		
Equity Attributable to Owners of the Company		
Share capital	40,000	40,000
Reserves	118,296	92,614
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	<u>158,296</u>	<u>132,614</u>
NON-CONTROLLING INTERESTS	101	(71)
TOTAL EQUITY	<u>158,397</u>	<u>132,543</u>
Non-Current Liabilities		
Term loan	3,862	1,761
Hire purchase payable	4,522	2,989
Deferred tax liabilities	10,564	8,590
	<u>18,948</u>	<u>13,340</u>
Current Liabilities		
Trade payables	20,984	14,912
Other payables and accrued expenses	22,860	14,943
Hire purchase payables	4,278	6,111
Overdraft & short term borrowings	65,103	74,828
Tax liabilities	4,617	-
	<u>117,842</u>	<u>110,794</u>
TOTAL LIABILITIES	<u>136,790</u>	<u>124,134</u>
TOTAL EQUITY AND LIABILITIES	295,187	256,677
<i>Net asset per share attributable to Ordinary Equity Holders of the Parent (RM)</i>	<i>0.79</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
Profit after taxation for the financial year							48,620	48,620	172	48,792
Other Comprehensive Income for the period					4	58		62		62
Dividend paid							(23,000)	(23,000)		(23,000)
Balance as at 31 December 2014	40,000	(26,078)	8,011	4,032	8	(62)	132,385	158,296	101	158,397
Balance as at 1 January 2013	40,000	(26,078)	8,011	4,032	3	(101)	85,341	111,208	(22)	111,186
Profit after taxation for the financial year							23,424	23,424	(49)	23,375
Other Comprehensive Income for the period					1	(19)		(18)		(18)
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

Notes:

1. *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)*(Incorporated in Malaysia)***UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**

	Current Year To Date 31-Dec-14 RM'000	Preceding Year To Date 31-Dec-13 RM'000
Profit before taxation	66,351	29,961
Adjustments for non-cash flow:		
Non-cash items	11,674	10,158
Non-operating items	3,210	4,028
Operating profit before working capital changes	<u>81,235</u>	<u>44,147</u>
Changes in working capital		
Net changes in current assets	(18,391)	(3,959)
Net changes in current liabilities	13,989	4,046
Cash generated from operations	<u>76,833</u>	<u>44,234</u>
Income tax paid	(9,647)	(2,848)
Net Cash Flow from Operating Activities	<u>67,186</u>	<u>41,386</u>
Interest income received	234	60
Proceeds from disposal of property, plant and equipment	1,078	1,969
Purchase of property, plant and equipment	(23,570)	(17,474)
Net Cash Flow from/(used in) Investing Activities	<u>(22,258)</u>	<u>(15,445)</u>
Bank borrowings	(13,156)	(2,369)
Finance cost paid	(3,851)	(4,088)
Net (increase)/decrease in fixed deposit pledged	56	407
Dividend paid	(23,000)	(2,000)
Net Cash Flow from/(used in) Financing Activities	<u>(39,951)</u>	<u>(8,050)</u>
Net Increase/(Decrease) in cash and cash equivalents	4,977	17,891
Cash and cash equivalents at the beginning of the financial period	34,200	16,309
Cash and cash equivalents at the end of the financial period	<u>39,177</u>	<u>34,200</u>
Cash and cash equivalents comprise:		
Bank and cash balances	39,265	34,008
Fixed deposits	474	1,648
Bank overdrafts	(88)	(926)
	<u>39,651</u>	<u>34,730</u>
Less: fixed deposits pledged	(474)	(530)
	<u>39,177</u>	<u>34,200</u>

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*

NOTES TO THE QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2014

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

A final single-tier dividend of 7.50% or approximately RM3,000,000 in respect of the previous financial year ended 31 December 2013 was paid on 22 July 2014. Besides, an interim single-tier dividend of 25% or approximately RM10,000,000 for the current financial year ending 31 December 2014 was declared on 22 August 2014 and paid on 29 September 2014. In view of impressive financial performance, a special single-tier dividend of 25% amounting to approximately RM10,000,000 in respect of the financial year ended 31 December 2014 was declared on 11 November 2014 and paid on 23 December 2014.

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	235,200	59,270
b. Investment and Trading of related poultry products	145,733	7,081
Total	380,933	66,351

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	1,311
Approved but not contracted for	8,817

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, except the bonus issue of 100,000,000 new ordinary shares of RM0.20 each and bonus issue of 50,000,000 warrants were listed and quoted on the main market of Bursa Malaysia Securities Berhad on 9 February 2015

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 RM161.1 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-14 RM'000	Cumulative YTD 12-months ended 31-Dec-14 RM'000
Sales of eggs, veterinary products and egg trays	4,639	22,674
Purchase of day-old-chick, verterinary products and raw materials	14,497	34,558
Transportation	1,469	5,670
Other services	30	89

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 2014 RM'000	Preceding Year Corresponding Quarter 31 Dec 2013 RM'000	Current year-to-date 31 Dec 2014 RM'000	Preceding Year Corresponding Period 31 Dec 2013 RM'000
REVENUE				
Poultry Farming	69,887	54,414	235,200	208,713
Investment and Trading	38,571	34,741	145,733	122,046
	<u>108,458</u>	<u>89,155</u>	<u>380,933</u>	<u>330,759</u>
PROFIT/(LOSS) BEFORE TAX				
Poultry Farming	20,936	6,878	59,270	24,220
Investment and Trading	1,066	525	7,081	5,741
	<u>22,002</u>	<u>7,403</u>	<u>66,351</u>	<u>29,961</u>

The Group recorded an impressive pre-tax profit of approximately RM66.4 million on the back of higher revenue of RM380.9 million for the current period under review.

Poultry Farming

The Group recorded an increase in revenue by RM26.5 million representing 12.7% and a higher pre-tax profit by RM35.1 million representing 144.7% for the current period mainly due to better selling price couple with higher egg production quantity and stable feed price.

Investment and Trading

The Group recorded an increase in revenue of RM23.7 million representing 19.4% 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 RM7.1 million for the segment.

B2. Comparison with the Immediate Preceding Quarter's Results

	Current Quarter ended 31 Dec 2014 RM'000	Preceding Quarter ended 30 Sep 2014 RM'000	Variance	
			RM'000	%
Revenue	108,458	95,661	12,797	13.4
Profit/(Loss) before taxation	22,002	17,394	4,608	26.5

The Group recorded an increase in revenue from RM95.7 million to RM108.5 million representing an increase of approximate 13.4% due to the improved selling price couple with higher egg production quantity. In line with the increase in revenue, the Group recorded an increase in pre-tax profit by RM4.6 million representing an increase of approximate 26.5% in the current quarter.

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B3. Current Year Prospects

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

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 2014 RM'000	Current Year to date ended 31 Dec 2014 RM'000
Current year provision	5,560	15,134
(Over)/Under provision in prior year	(1,491)	232
Deferred taxation	25	2,172
Real Property Gain Tax ("RPGT")	21	21
	4,115	17,559

The Group's income tax for the current financial period to date reflects a slight higher income tax rate than statutory income tax rate due to higher deferred taxation provision.

B6. Corporate Proposal

There were no corporate proposals announced but not completed as of the date of this report.

B7. Group Borrowings and Debt Securities

Details of Group borrowings as at 31 December 2014 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings	7,815	56,074	63,889
Hire Purchase - current	4,278	-	4,278
Hire Purchase - non-current	4,522	-	4,522
Long term borrowings - current	1,214	-	1,214
Long term borrowings - non-current	3,862	-	3,862
Total	21,691	56,074	77,765

The Group borrowings are denominated in following currency:

		'000
Ringgit Malaysia	RM	77,641
Singapore Dollar	SGD	47

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B8. Financial Instruments

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

Forward Foreign Currency Contracts	Notional Value (RM'000)	Fair Value (RM'000)	Fair Value Change (RM'000)
Singapore Dollar (SGD)			
- less than 1 year	9,450	9,546	96

B9. Material Litigations

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

B10 Dividend Payable

The Board of Directors does not recommend any final single-tier dividend for the current quarter under review.

B11. Realised and Unrealised Profit/(Loss)

	Current Quarter ended 31 Dec 2014 RM'000	Preceding Quarter ended 30 Sep 2014 RM'000
Realised profit	142,738	134,748
Unrealised loss	(10,353)	(10,336)
Retained profit	<u>132,385</u>	<u>124,412</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 2014	Preceding Year Corresponding Quarter 30 Dec 2013	Current YTD 31 Dec 2014	Preceding YTD 31 Dec 2013
Profit attributable to Ordinary Equity Holders of the Parent (RM'000)	17,973	5,729	48,620	23,424
Number of ordinary shares in issue ('000)	200,000	200,000	200,000	200,000
Basic earnings per share (sen)	<u>8.99</u>	<u>2.86</u>	<u>24.31</u>	<u>11.71</u>

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B13. Notes to the Statement of Comprehensive Income

	Current Quarter ended 31 Dec 2014 RM'000	Current Year-to-date 31 Dec 2014 RM'000
Interest income	(60)	(234)
Other income	309	(1,092)
Depreciation and amortisation	2,927	11,402
Provision for and write off receivables	326	408
(Gain)/Loss on derivative	(52)	(80)
(Gain)/Loss on foreign exchange	(10)	52

B14. Authorisation for Issue

The financial statements were authorised for issue by the Board of Directors on 24 February 2015.