

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 31 MARCH 2015**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31-Mar-15 RM'000	31-Mar-14 RM'000	31-Mar-15 RM'000	31-Mar-14 RM'000
Revenue	112,590	87,041	112,590	87,041
Operating Expenses	(88,115)	(73,062)	(88,115)	(73,062)
Other Income	407	601	407	601
Finance Cost	(1,038)	(1,027)	(1,038)	(1,027)
Profit before Taxation	<u>23,844</u>	<u>13,553</u>	<u>23,844</u>	<u>13,553</u>
Tax Expense	(6,227)	(3,143)	(6,227)	(3,143)
<b>Profit for the Period</b>	<b><u>17,617</u></b>	<b><u>10,410</u></b>	<b><u>17,617</u></b>	<b><u>10,410</u></b>
Other Comprehensive Income:				
Available-for-sale Financial Assets	2	-	2	-
Currency Translation Differences	577	4	577	4
<b>Total Comprehensive Income for the Period</b>	<b><u>18,196</u></b>	<b><u>10,414</u></b>	<b><u>18,196</u></b>	<b><u>10,414</u></b>
<i>Profit/(Loss) for the period attributable to:</i>				
Equity holders of the parent	17,490	10,271	17,490	10,271
Non-controlling interest	<u>127</u>	<u>139</u>	<u>127</u>	<u>139</u>
	<u>17,617</u>	<u>10,410</u>	<u>17,617</u>	<u>10,410</u>
<i>Total Comprehensive Income/(Expense) attributable to:</i>				
Equity holders of the parent	18,069	10,275	18,069	10,275
Non-controlling interest	<u>127</u>	<u>139</u>	<u>127</u>	<u>139</u>
	<u>18,196</u>	<u>10,414</u>	<u>18,196</u>	<u>10,414</u>
<b>Basic Earnings per Share (sen)</b>	<b><u>6.53</u></b>	<b><u>5.14</u></b>	<b><u>6.53</u></b>	<b><u>5.14</u></b>
<b>Diluted EPS (sen)</b>	<b><u>5.80</u></b>	<b><u>-</u></b>	<b><u>5.80</u></b>	<b><u>-</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 2014.

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

	As at Current Quarter Ended	As at Preceding Financial Year Ended
	31-Mar-15 RM'000	31-Dec-14 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant & equipment	173,562	160,408
Other investments	13	11
Deferred tax asset	105	105
	<u>173,680</u>	<u>160,524</u>
<b>Current Assets</b>		
Inventories	47,399	47,604
Trade receivables	40,709	42,917
Other receivables and prepaid expenses	4,364	3,792
Tax recoverable	-	-
Derivative assets	62	96
Fixed deposit, bank and cash balances	56,940	39,739
	<u>149,474</u>	<u>134,148</u>
<b>TOTAL ASSETS</b>	<b><u>323,154</u></b>	<b><u>294,672</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable to Owners of the Company</b>		
Share capital	60,000	40,000
Reserves	116,365	118,296
<b>TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	<u>176,365</u>	<u>158,296</u>
<b>NON-CONTROLLING INTERESTS</b>	<u>229</u>	<u>102</u>
<b>TOTAL EQUITY</b>	<u>176,594</u>	<u>158,398</u>
<b>Non-Current Liabilities</b>		
Term loan	3,490	3,675
Hire purchase payable	4,582	4,593
Deferred tax liabilities	11,228	10,564
	<u>19,300</u>	<u>18,832</u>
<b>Current Liabilities</b>		
Trade payables	23,402	20,992
Other payables and accrued expenses	25,308	22,250
Hire purchase payables	4,471	4,293
Overdraft & short term borrowings	66,759	65,291
Tax liabilities	7,320	4,616
	<u>127,260</u>	<u>117,442</u>
<b>TOTAL LIABILITIES</b>	<u>146,560</u>	<u>136,274</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>323,154</u></b>	<b><u>294,672</u></b>
<i>Net asset per share attributable to Ordinary Equity Holders of the Parent (RM)</i>	<i>0.59</i>	<i>0.79</i>

**Notes:**

1. *The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Consolidated Financial Statements for the year ended 31 December 2014.*

**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 2015	40,000	(26,078)	8,011	4,032	8	(62)	132,385	158,296	102	158,398
Bonus issue	20,000		(8,011)				(11,989)	-		-
Profit after taxation for the financial year							17,490	17,490	127	17,617
Other Comprehensive Income for the period					2	577		579		579
Dividend paid								-		-
Balance as at 31 March 2015	60,000	(26,078)	(0)	4,032	10	515	137,886	176,365	229	176,594
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							10,271	10,271	139	10,410
Other Comprehensive Income for the period					-	4		4		4
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

*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 2014.*

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

	Current Year To Date 31-Mar-15 RM'000	Preceding Year To Date 31-Mar-14 RM'000
Profit before taxation	23,844	13,553
Adjustments for non-cash flow:		
Non-cash items	4,315	2,845
Non-operating items	931	950
Operating profit before working capital changes	<u>29,090</u>	<u>17,348</u>
Changes in working capital		
Net changes in current assets	1,861	(2,498)
Net changes in current liabilities	5,468	1,765
Cash generated from operations	<u>36,419</u>	<u>16,615</u>
Income tax paid	(2,859)	(2,174)
<b>Net Cash Flow from Operating Activities</b>	<b><u>33,560</u></b>	<b><u>14,441</u></b>
Interest income received	107	43
Proceeds from disposal of property, plant and equipment	201	93
Purchase of property, plant and equipment	(15,846)	(3,895)
<b>Net Cash Flow from/(used in) Investing Activities</b>	<b><u>(15,538)</u></b>	<b><u>(3,759)</u></b>
Bank borrowings	222	950
Finance cost paid	(1,038)	(1,027)
Net (increase)/decrease in fixed deposit pledged	(2,108)	(7)
<b>Net Cash Flow from/(used in) Financing Activities</b>	<b><u>(2,924)</u></b>	<b><u>(84)</u></b>
<b>Net Increase/(Decrease) in cash and cash equivalents</b>	<b>15,098</b>	<b>10,598</b>
<b>Cash and cash equivalents at the beginning of the financial period</b>	<b>39,176</b>	<b>34,200</b>
<b>Cash and cash equivalents at the end of the financial period</b>	<b><u>54,274</u></b>	<b><u>44,798</u></b>
<b>Cash and cash equivalents comprise:</b>		
Bank and cash balances	54,359	44,881
Fixed deposits	2,581	655
Bank overdrafts	(85)	(201)
	<u>56,855</u>	<u>45,335</u>
Less: fixed deposits pledged	(2,581)	(537)
	<b><u>54,274</u></b>	<b><u>44,798</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 2014*

**NOTES TO THE QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST FINANCIAL QUARTER ENDED 31 MARCH 2015**

**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 2014 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 2014 except for the adoption of the following new and revised FRSs effective on or after 1 January 2015:

<b>FRSs and IC Interpretations (including the Consequential Amendments)</b>	<b>Effective Date</b>
FRS 9 : Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
Amendments to FRS 10 : Sale or Contribution of Assets between and FRS 128 (2011) and Investor and its Associates or Joint Venture	1 January 2016
Amendments to FRS 11 : Accounting for Acquisitions of Interest In Joint Operations	1 January 2016
Amendments to FRS 10, : Investment Entities – Applying the FRS 12 and Consolidation Exception FRS 128 (2011)	1 January 2016
Amendments to FRS 101 : Presentation of Financial Statements – Disclosures Initiative	1 January 2016
Amendments to FRS 116 : Clarification of Acceptable Methods of and FRS 138 Depreciation and Amortisation	1 January 2016
Amendments to FRS 119 : Defined Benefit Plans – Employee Contributions	1 July 2014
Amendments to FRS 127 : Equity Method in Separate Financial (2011) Statements	1 January 2016
Annual Improvements to FRSs 2010 – 2012 Cycle	1 July 2014
Annual Improvements to FRSs 2011 – 2013 Cycle	1 July 2014
Annual Improvements to FRSs 2012 – 2014 Cycle	1 January 2016

### **Malaysian Financial Reporting Standards (“MFRS Framework”)**

MASB has issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (“MFRS”), that are to be applied by all entities other than private entities, with the exception of entities that are within the scope of MFRS 141 (Agriculture) and IC Interpretation 15 (Agreements for Construction Contract of Real Estate), including its parent, significant investor and venture (herein called “transitioning entities”).

As announced by MASB on 2 September 2014, the transitioning entities are allowed to defer the adoption of MFRSs to annual periods beginning on or after 1 January 2017.

Accordingly, as a transitioning entity as defined above, the Group has chosen to defer the adoption of MFRSs and will only prepare its first set of MFRS financial statements for the financial year ending 31 December 2017. The Group is currently assessing the possible financial impacts that may arise from the adoption of MFRSs and the process is still ongoing.

#### **A3. Auditors’ Report**

There was no qualification on the audited financial statements for the financial year ended 31 December 2014.

#### **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 except the Bonus Issue of 100,000,000 new ordinary shares of RM0.20 each and Bonus Issue of 50,000,000 Warrants, have been completed following the listing and quotation of the Bonus Issue and Warrants on the Main Market of Bursa Malaysia Securities Berhad on 9 February 2015.

#### **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	74,310	21,249
b. Investment and Trading of related poultry products	38,280	2,595
Total	112,590	23,844

**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	859
Approved but not contracted for	17,589

**A12. Material Subsequent Events**

There were no material events subsequent to the end of the current quarter under review.

**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 RM178.3 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-15 RM'000	Cumulative YTD 3-months ended 31-Mar-15 RM'000
Sales of eggs, veterinary products and egg trays	6,074	6,074
Purchase of day-old-chick, verterinary products and raw materials	8,734	8,734
Transportation	1,545	1,545
Other services	20	20

**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 2015  RM'000	Preceding Year Corresponding Quarter 31 Mar 2014  RM'000	Current year-to-date 31 Mar 2015  RM'000	Preceding Year Corresponding Period 31 Mar 2014  RM'000
<b>REVENUE</b>				
Poultry Farming	74,310	53,025	74,310	53,025
Investment and Trading	38,280	34,016	38,280	34,016
	<u>112,590</u>	<u>87,041</u>	<u>112,590</u>	<u>87,041</u>
<b>PROFIT/(LOSS) BEFORE TAX</b>				
Poultry Farming	21,249	12,031	21,249	12,031
Investment and Trading	2,595	1,522	2,595	1,522
	<u>23,844</u>	<u>13,553</u>	<u>23,844</u>	<u>13,553</u>

The Group recorded an impressive pre-tax profit of approximately RM23.8 million on the back of higher revenue of RM112.6 million for the current period under review.

Poultry Farming

The Group recorded a higher revenue of RM74.3 million representing an increase of 40.1% and a pre-tax profit of RM21.2 million representing an increase of 76.6% for the current period under review mainly due to higher selling price of eggs coupled with higher production quantity although with a slight increase in feed price.

Investment and Trading

The Group recorded revenue of RM38.3 million which was continuously contributed from the sales of animal health products for the current quarter under review. It recorded a pre-tax profit of RM2.6 million for the segment.

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

	Current Quarter ended 31 Mar 2015  RM'000	Preceding Quarter ended 31 Dec 2014  RM'000	Variance	
			RM'000	%
Revenue	112,590	108,458	4,132	3.8
Profit/(Loss) before taxation	23,844	22,002	1,842	8.4

The Group recorded an increase in revenue from RM108.5 million to RM112.6 million representing an increase of approximate 3.8% due to the stable 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 RM1.8 million representing an increase of approximate 8.4% in the current quarter.



**B3. Current Year Prospects**

In view of the current stable raw material prices, the Directors are in opinion that the financial results for the remaining 9 months period ending 31 December 2015 are satisfactory.

**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 2015 RM'000	Current Year to date ended 31 Mar 2015 RM'000
Current year provision	5,563	5,563
Deferred taxation	664	664
	<u>6,227</u>	<u>6,227</u>

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

**B6. Corporate Proposal**

There were no corporate proposals announced but not completed as of the date of this report except the following:

Premium Egg Products Pte Ltd ("PEPP"), a wholly-owned subsidiary of the Company, had on 24 April 2015 entered into:-

- (i) a conditional sale and purchase agreement ("SPA") with Oceantrade Foods Pte Ltd, Loi Teck Heng ("LTH"), Low Sook Cheng and Lee Yee Gee (collectively known as "Vendors") to acquire 1,400,000 ordinary shares in BH Fresh Food Pte Ltd ("BHFF"), representing 100% of the equity interest in BHFF from the Vendors for a total cash consideration of SGD9.80 million (equivalent to approximately RM26.40 million) ("Purchase Consideration") ("Proposed Acquisition"); and
- (ii) a conditional agreement to dispose off the business and certain assets of BHFF, on an "as is where is" basis, to L M Meat Pte Ltd ("Disposal Agreement") for a cash consideration of SGD1.80 million (equivalent to approximately RM4.85 million) ("Disposal Consideration") ("Proposed Disposal")

The Proposed Acquisition and Proposed Disposal are inter-conditional upon each other and shall be completed concurrently.

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

**B7. Group Borrowings and Debt Securities**

Details of Group borrowings as at 31 Mar 2015 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings	5,343	60,191	65,534
Hire Purchase - current	4,471	-	4,471
Hire Purchase - non-current	4,582	-	4,582
Long term borrowings - current	1,225	-	1,225
Long term borrowings - non-current	3,490	-	3,490
<b>Total</b>	<b>19,111</b>	<b>60,191</b>	<b>79,302</b>

The Group borrowings are denominated in following currency:

		'000
Ringgit Malaysia	RM	79,189
Singapore Dollar	SGD	42

**B8. Financial Instruments**

The Group entered into the following foreign currency contract to hedge its foreign purchase as at 31 March 2015:

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	10,120	10,182	62

**B9. Material Litigations**

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

**B10 Dividend Payable**

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

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

	Current Quarter ended 31 Mar 2015 RM'000	Preceding Quarter ended 31 Dec 2014 RM'000
Realised profit	149,208	142,815
Unrealised loss	(11,322)	(10,430)
<b>Retained profit</b>	<b>137,886</b>	<b>132,385</b>

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

**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 weighted average ordinary shares of the Group in issue during the period:

	Current Quarter ended 31 Mar 2015	Preceding Year Corresponding Quarter 31 Mar 2014	Current YTD 31 Mar 2015	Preceding YTD 31 Mar 2014
Profit attributable to Ordinary Equity Holders of the Parent (RM'000)	17,490	10,271	17,490	10,271
Number of ordinary shares in issue ('000)	267,778	200,000	267,778	200,000
Basic earnings per share (sen)	6.53	5.14	6.53	5.14
Diluted earnings per share (sen)	5.80	-	5.80	-

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

	Current Quarter ended 31 Mar 2015 RM'000	Current Year-to-date 31 Mar 2015 RM'000
Interest income	(107)	(107)
Other income	(353)	(353)
Depreciation and amortisation	3,059	3,059
Provision for and write off receivables	23	23
(Gain)/Loss on derivative	34	34
(Gain)/Loss on foreign exchange	19	19

**B14. Authorisation for Issue**

The financial statements were authorised for issue by the Board of Directors on 18 May 2015.