

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 SEPTEMBER 2015**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30-Sep-15 RM'000	30-Sep-14 RM'000	30-Sep-15 RM'000	30-Sep-14 RM'000
Revenue	102,472	95,661	305,671	272,475
Operating Expenses	(92,841)	(77,920)	(264,434)	(226,796)
Other Income	3,778	514	6,888	1,604
Finance Cost	(1,323)	(861)	(3,405)	(2,934)
Profit before Taxation	<u>12,086</u>	<u>17,394</u>	<u>44,720</u>	<u>44,349</u>
Tax Expense	(114)	(6,593)	(7,883)	(13,444)
Profit for the Period	<u>11,972</u>	<u>10,801</u>	<u>36,837</u>	<u>30,905</u>
Other Comprehensive Income:				
Available-for-sale Financial Assets	-	3	(2)	5
Currency Translation Differences	76	14	118	28
Total Comprehensive Income for the Period	<u>12,048</u>	<u>10,818</u>	<u>36,953</u>	<u>30,938</u>
<i>Profit/(Loss) for the period attributable to:</i>				
Equity holders of the parent	11,972	10,759	36,732	30,647
Non-controlling interest	<u>-</u>	<u>42</u>	<u>105</u>	<u>258</u>
	<u>11,972</u>	<u>10,801</u>	<u>36,837</u>	<u>30,905</u>
<i>Total Comprehensive Income/(Expense) attributable to:</i>				
Equity holders of the parent	12,048	10,776	36,848	30,680
Non-controlling interest	<u>-</u>	<u>42</u>	<u>105</u>	<u>258</u>
	<u>12,048</u>	<u>10,818</u>	<u>36,953</u>	<u>30,938</u>
Basic Earnings per Share (sen)	<u>4.14</u>	<u>5.38</u>	<u>12.70</u>	<u>15.32</u>
Diluted EPS (sen)	<u>3.58</u>	<u>-</u>	<u>11.00</u>	<u>-</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 2014.

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	As at Current Quarter Ended	As at Preceding Financial Year Ended
	30-Sep-15 RM'000	31-Dec-14 RM'000
ASSETS		
Non-Current Assets		
Property, plant & equipment	209,911	160,408
Other investments	10	11
Deferred tax asset	-	105
	<u>209,921</u>	<u>160,524</u>
Current Assets		
Inventories	53,262	47,604
Trade receivables	42,606	42,917
Other receivables and prepaid expenses	15,422	3,792
Derivative assets	115	96
Fixed deposit, bank and cash balances	36,769	39,739
	<u>148,174</u>	<u>134,148</u>
TOTAL ASSETS	358,095	294,672
EQUITY AND LIABILITIES		
Equity Attributable to Owners of the Company		
Share capital	60,000	40,000
Treasury shares	(376)	-
Reserves	134,803	118,296
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	<u>194,427</u>	<u>158,296</u>
NON-CONTROLLING INTERESTS	-	102
TOTAL EQUITY	<u>194,427</u>	<u>158,398</u>
Non-Current Liabilities		
Term loan	11,448	3,675
Hire purchase payable	7,500	4,593
Deferred tax liabilities	13,174	10,564
	<u>32,122</u>	<u>18,832</u>
Current Liabilities		
Trade payables	21,566	20,992
Other payables and accrued expenses	26,117	22,250
Hire purchase payables	5,540	4,293
Overdraft & short term borrowings	79,110	65,291
Tax liabilities	(787)	4,616
	<u>131,546</u>	<u>117,442</u>
TOTAL LIABILITIES	<u>163,668</u>	<u>136,274</u>
TOTAL EQUITY AND LIABILITIES	358,095	294,672
<i>Net asset per share attributable to Ordinary Equity Holders of the Parent (RM)</i>	<i>0.67</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	Treasury Shares	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	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)	-		-
Exercise of Warrant			1						1		1
Repurchase of shares				(376)					(376)		(376)
Acquisition of non-controlling interest								(343)	(343)	(207)	(550)
Profit after taxation for the financial year								36,732	36,732	105	36,837
Other Comprehensive Income for the period						(1)	118		117		117
Balance as at 30 September 2015	60,000	(26,078)	1	(376)	4,032	7	56	156,785	194,427	-	194,427
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								30,647	30,647	258	30,905
Other Comprehensive Income for the period						5	28		33		33
Dividend paid								(13,000)	(13,000)		(13,000)
Balance as at 30 September 2014	40,000	(26,078)	8,011		4,032	9	(92)	124,412	150,294	187	150,481

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 2014.*

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

	Current Year To Date 30-Sep-15 RM'000	Preceding Year To Date 30-Sep-14 RM'000
Profit before taxation	44,720	44,349
Adjustments for non-cash flow:		
Non-cash items	5,528	8,825
Non-operating items	2,929	2,706
Operating profit before working capital changes	<u>53,177</u>	<u>55,880</u>
Changes in working capital		
Net changes in current assets	(11,175)	(9,958)
Net changes in current liabilities	801	2,904
Cash generated from operations	<u>42,803</u>	<u>48,826</u>
Income tax paid	(10,491)	(7,256)
Net Cash Flow from Operating Activities	<u>32,312</u>	<u>41,570</u>
Interest income received	225	174
Proceeds from disposal of property, plant and equipment	332	331
Purchase of property, plant and equipment	(22,877)	(18,962)
Acquisition of subsidiary company	(25,621)	-
Acquisition of non-controlling interest	(551)	-
Net Cash Flow from/(used in) Investing Activities	<u>(48,492)</u>	<u>(18,457)</u>
Bank borrowings	17,081	(18,559)
Finance cost paid	(3,405)	(2,934)
Net (increase)/decrease in fixed deposit pledged	473	58
Share repurchased	(376)	
Dividend paid	-	(13,000)
Net Cash Flow from/(used in) Financing Activities	<u>13,773</u>	<u>(34,435)</u>
Net Increase/(Decrease) in cash and cash equivalents	(2,407)	(11,322)
Cash and cash equivalents at the beginning of the financial period	<u>39,176</u>	<u>34,200</u>
Cash and cash equivalents at the end of the financial period	<u>36,769</u>	<u>22,878</u>
Cash and cash equivalents comprise:		
Bank and cash balances	36,769	22,981
Fixed deposits	-	472
Bank overdrafts	-	(103)
	<u>36,769</u>	<u>23,350</u>
Less: fixed deposits pledged	-	(472)
	<u>36,769</u>	<u>22,878</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 2014*

TEO SENG CAPITAL BERHAD (732762-T)*(Incorporated in Malaysia)***NOTES TO THE QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 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:

FRSs and IC Interpretations (including the Consequential Amendments)	Effective Date
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) 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

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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.

Further announcement made by MASB on 8 September 2015, the effective date of MFRS 15 Revenue from Contracts with Customers will be deferred to annual period beginning on or after 1 January 2018, following the press release by International Accounting Standard Board (IASB) confirming a one-year deferral of IFRS 15 Revenue from Contracts with Customers.

As a result, the effective date for Transitioning Entities to apply the MFRSs will also be deferred to annual periods beginning on or after 1 January 2018.

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 2018. 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 following:

- (i) 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;
- (ii) Exercise of 1,225 Warrants at the exercise price of RM1.35 each by Warrant Holders;
- (iii) Repurchase of 209,000 ordinary shares of RM0.20 each from the open market at average price of RM1.81 each

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:

Segmental Analysis (by Activities)	Segmental Revenue RM'000	Profit/(Loss) before Taxation RM'000
a. Poultry Farming	195,637	36,336
b. Investment and Trading of related poultry products	110,034	8,384
Total	305,671	44,720

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	27,339
Approved but not contracted for	9,221

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 RM263.2 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-15 RM'000	Cumulative YTD 9-months ended 30-Sep-15 RM'000
Sales of eggs, veterinary products and egg trays	5,900	17,702
Purchase of day-old-chick, verterinary products and raw materials	(1,086)	23,054
Transportation	851	4,129
Other services	17	50

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 2015 RM'000	Preceding Year Corresponding Quarter 30 Sep 2014 RM'000	Current year-to-date 30 Sep 2015 RM'000	Preceding Year Corresponding Period 30 Sep 2014 RM'000
REVENUE				
Poultry Farming	61,677	59,824	195,637	165,313
Investment and Trading	40,795	35,837	110,034	107,162
	<u>102,472</u>	<u>95,661</u>	<u>305,671</u>	<u>272,475</u>
PROFIT/(LOSS) BEFORE TAX				
Poultry Farming	9,172	15,158	36,336	38,334
Investment and Trading	2,914	2,236	8,384	6,015
	<u>12,086</u>	<u>17,394</u>	<u>44,720</u>	<u>44,349</u>

The Group recorded a sustainable pre-tax profit of approximately RM44.7 million on the back of revenue of RM305.7 million for the current period under review.

Poultry Farming

Despite the Group recorded a higher revenue of RM195.6 million from the increase in sales quantity of eggs, it recorded a lower pre-tax profit of RM36.3 million for the current period under review was mainly due to lower selling price of eggs.

Investment and Trading

In line with the improvement in sales of eggs by its foreign subsidiary company for the current period under review, it recorded a slight increase in pre-tax profit of RM8.4 million for the segment.

B2. Comparison with the Immediate Preceding Quarter's Results

	Current Quarter ended 30 Sep 2015 RM'000	Preceding Quarter ended 30 June 2015 RM'000	Variance	
			RM'000	%
Revenue	102,472	90,609	11,863	13.1
Profit before taxation	12,086	8,790	3,296	37.5

The revenue was increased from RM90.6 million to RM102.5 million representing an increase of approximate 13.1% mainly due to improved selling price of eggs in the current quarter. Coupled with the lower feed price in the current quarter, the Group recorded a better pre-tax profit of RM12.1 million representing an increase of approximate 37.5% in the current quarter.

B3. Current Year Prospects

Despite the weakening in Ringgit Malaysia affecting raw material cost, the Directors are still in the opinion that the financial performance for the remaining 3 months period ending 31 December 2015 is satisfactory mainly due to lower purchase price of raw material outweigh the currency impact.

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 2015 RM'000	Current Year to date ended 30 Sep 2015 RM'000
Current year provision	1,880	8,731
(Over)/Under provision in prior year	(3,498)	(3,498)
Deferred taxation	1,703	2,621
Real Property Gain Tax ("RPGT")	29	29
	114	7,883

The Group's income tax for the current financial period to date reflects a lower income tax rate due to the tax incentive claimable on the increase of export sales.

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 30 September 2015 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings	4,300	72,476	76,776
Hire Purchase - current	5,540	-	5,540
Hire Purchase - non-current	7,500	-	7,500
Long term borrowings - current	1,364	970	2,334
Long term borrowings - non-current	7,498	3,950	11,448
Total	26,202	77,396	103,598

The Group borrowings are denominated in following currency:

Ringgit Malaysia	RM	'000 103,500
Singapore Dollar	SGD	32

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B8. Financial Instruments

The Group entered into the following foreign currency contract to hedge its foreign sales as at 30 September 2015:

Forward Foreign Currency Contracts	Notional Value (RM'000)	Fair Value (RM'000)	Fair Value Change (RM'000)
Singapore Dollar (SGD)			
- less than 1 year	1,227	1,338	111
US Dollar (USD)			
- less than 1 year	1,118	1,122	4

B9. Material Litigations

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

B10 Dividend Payable

In view of impressive financial performance, the Board of Directors declared a single-tier interim dividend of 12.5% amounting to approximately RM7,500,000 in respect of the current financial year.

B11. Realised and Unrealised Profit/(Loss)

	Current Quarter ended 30 Sep 2015 RM'000	Preceding Quarter ended 30 June 2015 RM'000
Realised profit	167,188	155,133
Unrealised loss	(10,403)	(10,320)
Retained profit	<u>156,785</u>	<u>144,813</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 weighted average ordinary shares of the Group in issue during the period:

	Current Quarter ended 30 Sep 2015	Preceding Year Corresponding Quarter 30 Sep 2014	Current YTD 30 Sep 2015	Preceding YTD 30 Sep 2014
Profit attributable to Ordinary Equity Holders of the Parent (RM'000)	11,972	10,759	36,732	30,647
Number of ordinary shares in issue ('000)	289,280	200,000	289,280	200,000
Basic earnings per share (sen)	<u>4.14</u>	<u>5.38</u>	<u>12.70</u>	<u>15.32</u>
Diluted earnings per share (sen)	<u>3.58</u>	<u>-</u>	<u>11.00</u>	<u>-</u>

B13. Notes to the Statement of Comprehensive Income

	Current Quarter ended 30 Sep 2015 RM'000	Current Year-to-date 30 Sep 2015 RM'000
Interest income	(38)	(225)
Other income	(780)	(1,787)
Depreciation and amortisation	3,262	9,492
Provision for and write off receivables	73	96
(Gain)/Loss on derivative	76	(19)
(Gain)/Loss on foreign exchange	(3,037)	(4,858)

B14. Authorisation for Issue

The financial statements were authorised for issue by the Board of Directors on 16 November 2015.