

TEO SENG CAPITAL BERHAD (732762-T)*(Incorporated in Malaysia)***UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 DECEMBER 2015**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31-Dec-15 RM'000	31-Dec-14 RM'000	31-Dec-15 RM'000	31-Dec-14 RM'000
Revenue	107,218	108,458	412,889	380,933
Operating Expenses	(100,372)	(86,924)	(364,806)	(313,720)
Other Income	557	1,385	7,445	2,989
Finance Cost	(1,403)	(917)	(4,808)	(3,851)
Profit before Taxation	<u>6,000</u>	<u>22,002</u>	<u>50,720</u>	<u>66,351</u>
Tax Expense	(1,739)	(4,115)	(9,622)	(17,559)
Profit for the Period	<u>4,261</u>	<u>17,887</u>	<u>41,098</u>	<u>48,792</u>
Other Comprehensive Income:				
Available-for-sale Financial Assets	1	(1)	(1)	4
Currency Translation Differences	460	30	578	58
Total Comprehensive Income for the Period	<u>4,722</u>	<u>17,916</u>	<u>41,675</u>	<u>48,854</u>
<i>Profit/(Loss) for the period attributable to:</i>				
Equity holders of the parent	4,261	17,973	40,993	48,620
Non-controlling interest	<u>-</u>	<u>(86)</u>	<u>105</u>	<u>172</u>
	<u>4,261</u>	<u>17,887</u>	<u>41,098</u>	<u>48,792</u>
<i>Total Comprehensive Income/(Expense) attributable to:</i>				
Equity holders of the parent	4,722	18,002	41,570	48,682
Non-controlling interest	<u>-</u>	<u>(86)</u>	<u>105</u>	<u>172</u>
	<u>4,722</u>	<u>17,916</u>	<u>41,675</u>	<u>48,854</u>
Basic Earnings per Share (sen)	<u>1.42</u>	<u>8.99</u>	<u>14.04</u>	<u>24.31</u>
Diluted EPS (sen)	<u>1.22</u>	<u>-</u>	<u>12.48</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.

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

	As at Financial Year Ended	As at Preceding Financial Year Ended
	31-Dec-15 RM'000	31-Dec-14 RM'000
ASSETS		
Non-Current Assets		
Property, plant & equipment	221,621	160,408
Investment properties	931	-
Other investments	16	11
Deferred tax asset	-	105
	<u>222,568</u>	<u>160,524</u>
Current Assets		
Inventories	54,465	47,604
Trade receivables	42,101	42,917
Other receivables and prepaid expenses	10,917	3,792
Derivative assets	16	96
Fixed deposit, bank and cash balances	30,240	39,739
	<u>137,739</u>	<u>134,148</u>
TOTAL ASSETS	360,307	294,672
EQUITY AND LIABILITIES		
Equity Attributable to Owners of the Company		
Share capital	60,000	40,000
Treasury shares	(376)	-
Reserves	132,035	118,296
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	<u>191,659</u>	<u>158,296</u>
NON-CONTROLLING INTERESTS	-	102
TOTAL EQUITY	<u>191,659</u>	<u>158,398</u>
Non-Current Liabilities		
Term loan	12,020	3,675
Hire purchase payable	11,206	4,593
Deferred tax liabilities	16,337	10,564
	<u>39,563</u>	<u>18,832</u>
Current Liabilities		
Trade payables	22,763	20,992
Other payables and accrued expenses	15,218	22,250
Hire purchase payables	8,016	4,293
Overdraft & short term borrowings	84,494	65,291
Tax liabilities	(1,406)	4,616
	<u>129,085</u>	<u>117,442</u>
TOTAL LIABILITIES	<u>168,648</u>	<u>136,274</u>
TOTAL EQUITY AND LIABILITIES	360,307	294,672
<i>Net asset per share attributable to Ordinary Equity Holders of the Parent (RM)</i>	<i>0.66</i>	<i>0.79</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 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								40,993	40,993	105	41,098
Other Comprehensive Income for the period						5	578		583		583
Dividend paid								(7,495)	(7,495)		(7,495)
Balance as at 31 December 2015	60,000	(26,078)	1	(376)	4,032	13	516	153,551	191,659	-	191,659
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	102	158,398

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 31-Dec-15 RM'000	Preceding Year To Date 31-Dec-14 RM'000
Profit before taxation	50,720	66,351
Adjustments for non-cash flow:		
Non-cash items	14,589	11,880
Non-operating items	4,279	3,168
Operating profit before working capital changes	<u>69,588</u>	<u>81,399</u>
Changes in working capital		
Net changes in current assets	(9,850)	(17,936)
Net changes in current liabilities	(9,069)	13,769
Cash generated from operations	<u>50,669</u>	<u>77,232</u>
Income tax paid	(13,848)	(9,647)
Net Cash Flow from Operating Activities	<u>36,821</u>	<u>67,585</u>
Interest income received	293	234
Proceeds from disposal of property, plant and equipment	502	1,078
Purchase of property, plant and equipment	(31,707)	(23,173)
Acquisition of subsidiary company	(23,570)	-
Acquisition of non-controlling interest	(551)	-
Net Cash Flow from/(used in) Investing Activities	<u>(55,033)</u>	<u>(21,861)</u>
Bank borrowings	21,482	(13,953)
Finance cost paid	(4,808)	(3,851)
Net (increase)/decrease in fixed deposit pledged	473	56
Share repurchased	(376)	-
Dividend paid	(7,495)	(23,000)
Net Cash Flow from/(used in) Financing Activities	<u>9,276</u>	<u>(40,748)</u>
Net Increase/(Decrease) in cash and cash equivalents	(8,936)	4,976
Cash and cash equivalents at the beginning of the financial period	39,176	34,200
Cash and cash equivalents at the end of the financial period	<u>30,240</u>	<u>39,176</u>
Cash and cash equivalents comprise:		
Bank and cash balances	30,240	39,265
Fixed deposits	-	474
Bank overdrafts	-	(89)
	<u>30,240</u>	<u>39,650</u>
Less: fixed deposits pledged	-	(474)
	<u>30,240</u>	<u>39,176</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 FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 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

TEO SENG CAPITAL BERHAD (732762-T)*(Incorporated in Malaysia)***A8. Dividend Paid**

An interim single-tier dividend of 12.5% or approximately RM7,500,000 for the current financial year ending 31 December 2015 was declared on 16 November 2015 and paid on 8 December 2015. .

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	260,323	41,079
b. Investment and Trading of related poultry products	152,566	9,641
Total	412,889	50,720

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	21,592
Approved but not contracted for	11,232

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 RM265.2 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 31-Dec-15 RM'000	Cumulative YTD 12-months ended 31-Dec-15 RM'000
Sales of eggs, veterinary products, egg trays and others	5,891	23,593
Purchase of day-old-chick, verterinary products and raw materials	7,084	30,138
Transportation	1,112	5,241
Other services	144	194

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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 2015 RM'000	Preceding Year Corresponding Quarter 31 Dec 2014 RM'000	Current year-to-date 31 Dec 2015 RM'000	Preceding Year Corresponding Period 31 Dec 2014 RM'000
REVENUE				
Poultry Farming	64,686	69,887	260,323	235,200
Investment and Trading	42,532	38,571	152,566	145,733
	<u>107,218</u>	<u>108,458</u>	<u>412,889</u>	<u>380,933</u>
PROFIT/(LOSS) BEFORE TAX				
Poultry Farming	4,743	20,936	41,079	59,270
Investment and Trading	1,257	1,066	9,641	7,081
	<u>6,000</u>	<u>22,002</u>	<u>50,720</u>	<u>66,351</u>

The Group recorded a lower pre-tax profit of approximately RM50.7 million on the back of revenue of RM412.9 million for the current period under review.

Poultry Farming

Despite the Group recorded a higher revenue of RM260.3 million from the increase in sales quantity of eggs, it recorded a lower pre-tax profit of RM41.1 million for the current period under review was mainly due to lower selling price of eggs.

Investment and Trading

In line with the sustainable contribution from the foreign subsidiary and sales of animal health products for the current period under review, it recorded a slight increase in pre-tax profit of RM9.6 million for the segment.

B2. Comparison with the Immediate Preceding Quarter's Results

	Current Quarter ended 31 Dec 2015 RM'000	Preceding Quarter ended 30 Sep 2015 RM'000	Variance	
			RM'000	%
Revenue	107,218	102,472	4,746	4.6
Profit before taxation	6,000	12,086	(6,086)	(50.4)

The revenue was increased from RM102.5 million to RM107.2 million representing an increase of approximate 4.6% mainly due to increase in sales quantity of eggs in the current quarter. The Group recorded a lower pre-tax profit of RM6.0 million representing a decrease of approximate 50.4% in the current quarter was mainly due to the unrealised loss on foreign exchange and higher operating costs.

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B3. Current Year Prospects

In view of the Ringgit Malaysia is still weakening, the Directors are in opinion that the forthcoming year's financial performance is challenging.

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 2015 RM'000	Current Year to date ended 31 Dec 2015 RM'000
Current year provision	2,641	11,372
(Over)/Under provision in prior year	(85)	(3,583)
Deferred taxation	(826)	1,795
Real Property Gain Tax ("RPGT")	9	38
	<u>1,739</u>	<u>9,622</u>

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 31 December 2015 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings	4,515	75,910	80,425
Hire Purchase - current	8,016	-	8,016
Hire Purchase - non-current	11,206	-	11,206
Long term borrowings - current	2,319	1,750	4,069
Long term borrowings - non-current	10,844	1,176	12,020
Total	<u>36,900</u>	<u>78,836</u>	<u>115,736</u>

The Group borrowings are denominated in following currency:

		'000
Ringgit Malaysia	RM	115,473
Singapore Dollar	SGD	86

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B8. Financial Instruments

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

Forward Foreign Currency Contracts	Notional Value (RM'000)	Fair Value (RM'000)	Fair Value Change (RM'000)
Europe (Eur)			
- less than 1 year	6,971	6,885	(86)
US Dollar (USD)			
- less than 1 year	3,852	3,954	102

B9. Material Litigations

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

B10 Dividend Payable

The Board of Directors proposed a final single-tier dividend of 5% amounting to approximately 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.

B11. Realised and Unrealised Profit/(Loss)

	Current Quarter ended 31 Dec 2015 RM'000	Preceding Quarter ended 30 Sep 2015 RM'000
Realised profit	169,794	167,188
Unrealised loss	(16,243)	(10,403)
Retained profit	<u>153,551</u>	<u>156,785</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 31 Dec 2015	Preceding Year Corresponding Quarter 31 Dec 2014	Current YTD 31 Dec 2015	Preceding YTD 31 Dec 2014
Profit attributable to Ordinary Equity Holders of the Parent (RM'000)	4,261	17,973	40,993	48,620
Number of ordinary shares in issue ('000)	299,792	200,000	291,930	200,000
Basic earnings per share (sen)	<u>1.42</u>	<u>8.99</u>	<u>14.04</u>	<u>24.31</u>
Diluted earnings per share (sen)	<u>1.22</u>	<u>-</u>	<u>12.48</u>	<u>-</u>

B13. Notes to the Statement of Comprehensive Income

	Current Quarter ended 31 Dec 2015 RM'000	Current Year-to-date 31 Dec 2015 RM'000
Interest income	(68)	(293)
Other income	(834)	(2,621)
Depreciation and amortisation	3,744	13,236
Provision for and write off receivables	-	96
(Gain)/Loss on derivative	99	80
(Gain)/Loss on foreign exchange	246	(4,612)

B14. Authorisation for Issue

The financial statements were authorised for issue by the Board of Directors on 22 February 2016.