

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 MARCH 2016**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31-Mar-16 RM'000	31-Mar-15 RM'000	31-Mar-16 RM'000	31-Mar-15 RM'000
Revenue	101,935	112,590	101,935	112,590
Operating Expenses	(95,690)	(88,115)	(95,690)	(88,115)
Other Income	44	407	44	407
Finance Cost	(1,686)	(1,038)	(1,686)	(1,038)
Profit before Taxation	<u>4,603</u>	<u>23,844</u>	<u>4,603</u>	<u>23,844</u>
Tax Expense	(1,013)	(6,227)	(1,013)	(6,227)
Profit for the Period	<u>3,590</u>	<u>17,617</u>	<u>3,590</u>	<u>17,617</u>
Other Comprehensive Income:				
Available-for-sale Financial Assets	3	2	3	2
Currency Translation Differences	(403)	577	(403)	577
Total Comprehensive Income for the Period	<u>3,190</u>	<u>18,196</u>	<u>3,190</u>	<u>18,196</u>
<i>Profit/(Loss) for the period attributable to:</i>				
Equity holders of the parent	3,590	17,490	3,590	17,490
Non-controlling interest	-	127	-	127
	<u>3,590</u>	<u>17,617</u>	<u>3,590</u>	<u>17,617</u>
<i>Total Comprehensive Income/(Expense) attributable to:</i>				
Equity holders of the parent	3,190	18,069	3,190	18,069
Non-controlling interest	-	127	-	127
	<u>3,190</u>	<u>18,196</u>	<u>3,190</u>	<u>18,196</u>
Basic Earnings per Share (sen)	<u>1.20</u>	<u>6.53</u>	<u>1.20</u>	<u>6.53</u>
Diluted EPS (sen)	<u>1.17</u>	<u>5.80</u>	<u>1.17</u>	<u>5.80</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 2015.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at Current Quarter Ended	As at Preceding Financial Year Ended
	31-Mar-16 RM'000	31-Dec-15 RM'000
ASSETS		
Non-Current Assets		
Property, plant & equipment	243,287	221,621
Investment properties	926	931
Other investments	19	16
	<u>244,232</u>	<u>222,568</u>
Current Assets		
Biological assets	37,003	34,643
Inventories	20,116	19,821
Trade receivables	42,477	41,574
Other receivables and prepaid expenses	11,148	14,716
Tax recoverable	3,210	1,297
Derivative assets	-	16
Fixed deposit, bank and cash balances	43,459	30,239
	<u>157,413</u>	<u>142,306</u>
TOTAL ASSETS	<u>401,645</u>	<u>364,874</u>
EQUITY AND LIABILITIES		
Equity Attributable to Owners of the Company		
Share capital	60,000	60,000
Treasury shares	(376)	(376)
Reserves	135,228	132,038
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	<u>194,852</u>	<u>191,662</u>
Non-Current Liabilities		
Term loan	32,487	11,528
Hire purchase payable	10,640	12,034
Deferred tax liabilities	15,687	16,226
	<u>58,814</u>	<u>39,788</u>
Current Liabilities		
Trade payables	28,418	22,720
Other payables and accrued expenses	17,595	18,530
Hire purchase payables	6,930	7,188
Overdraft & short term borrowings	94,959	84,986
Derivative liabilities	77	-
	<u>147,979</u>	<u>133,424</u>
TOTAL LIABILITIES	<u>206,793</u>	<u>173,212</u>
TOTAL EQUITY AND LIABILITIES	<u>401,645</u>	<u>364,874</u>
<i>Net asset per share attributable to Ordinary Equity Holders of the Parent (RM)</i>	<i>0.65</i>	<i>0.64</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 2015.*

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 2016	60,000	(26,078)	1	(376)	4,032	13	516	153,554	191,662	-	191,662
Profit after taxation for the financial year								3,590	3,590		3,590
Other Comprehensive Income for the period						3	(403)		(400)		(400)
Balance as at 31 March 2016	60,000	(26,078)	1	(376)	4,032	16	113	157,144	194,852	-	194,852
Balance as at 1 January 2015	40,000	(26,078)	8,011		4,032	8	(62)	132,385	158,296	102	158,398
Profit after taxation for the financial year								17,490	17,490	127	17,617
Other Comprehensive Income for the period						2	577		579		579
Bonus issue	20,000		(8,011)					(11,989)	-		-
Balance as at 31 March 2015	60,000	(26,078)	(0)		4,032	10	515	137,886	176,365	229	176,594

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 2015.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	Current Year To Date 31-Mar-16 RM'000	Preceding Year To Date 31-Mar-15 RM'000
Profit before taxation	4,603	23,844
Adjustments for non-cash flow:		
Non-cash items	5,222	4,315
Non-operating items	1,608	931
Operating profit before working capital changes	<u>11,433</u>	<u>29,090</u>
Changes in working capital		
Net changes in current assets	(1,793)	1,861
Net changes in current liabilities	6,223	5,468
Cash generated from operations	<u>15,863</u>	<u>36,419</u>
Income tax paid	(3,465)	(2,859)
Net Cash Flow from Operating Activities	<u>12,398</u>	<u>33,560</u>
Interest income received	50	107
Proceeds from disposal of property, plant and equipment	-	201
Purchase of property, plant and equipment	(26,821)	(15,846)
Net Cash Flow from/(used in) Investing Activities	<u>(26,771)</u>	<u>(15,538)</u>
Bank borrowings	29,279	222
Finance cost paid	(1,686)	(1,038)
Net (increase)/decrease in fixed deposit pledged	-	(2,108)
Net Cash Flow from/(used in) Financing Activities	<u>27,593</u>	<u>(2,924)</u>
Net Increase/(Decrease) in cash and cash equivalents	13,220	15,098
Cash and cash equivalents at the beginning of the financial period	30,239	39,176
Cash and cash equivalents at the end of the financial period	<u>43,459</u>	<u>54,274</u>
Cash and cash equivalents comprise:		
Bank and cash balances	43,459	54,359
Fixed deposits	-	2,581
Bank overdrafts	-	(85)
	<u>43,459</u>	<u>56,855</u>
Less: fixed deposits pledged	-	(2,581)
	<u>43,459</u>	<u>54,274</u>

Notes:

1. The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015.

NOTES TO THE QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST FINANCIAL QUARTER ENDED 31 MARCH 2016

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 2015 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 2015 except for the adoption of the following new and revised FRSs effective on or after 1 January 2016:

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	deferred until further notice
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 127 : Equity Method in Separate Financial (2011) Statements	1 January 2016
Annual Improvements to FRSs 2012 – 2014 Cycle	1 January 2016

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

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 further announced by MASB on 28 October 2015, the Transitioning Entities are allowed to defer the adoption of MFRSs 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 2015.

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:

Segmental Analysis (by Activities)	Segmental Revenue	Profit/(Loss) before Taxation
	RM'000	RM'000
a. Poultry Farming	61,509	1,796
b. Investment and Trading of related poultry products	40,426	2,807
Total	101,935	4,603

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	<u>11,341</u>
Approved but not contracted for	<u>340</u>

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 RM275.6 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-16 RM'000	Cumulative YTD 3-months ended 31-Mar-16 RM'000
Sales of eggs, veterinary products, egg trays and others	6,569	6,569
Purchase of day-old-chick, veterinary products and raw materials	3,754	3,754
Transportation	1,217	1,217
Other services	31	31

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 2016 RM'000	Preceding Year Corresponding Quarter 31 Mar 2015 RM'000	Current year-to-date 31 Mar 2016 RM'000	Preceding Year Corresponding Period 31 Mar 2015 RM'000
REVENUE				
Poultry Farming	61,509	74,310	61,509	74,310
Investment and Trading	40,426	38,280	40,426	38,280
	<u>101,935</u>	<u>112,590</u>	<u>101,935</u>	<u>112,590</u>
PROFIT/(LOSS) BEFORE TAX				
Poultry Farming	1,796	21,249	1,796	21,249
Investment and Trading	2,807	2,595	2,807	2,595
	<u>4,603</u>	<u>23,844</u>	<u>4,603</u>	<u>23,844</u>

The Group recorded a pre-tax profit of approximately RM4.6 million on the back of revenue of RM101.9 million for the current period under review.

Poultry Farming

The Group recorded a lower revenue of RM61.5 million and a declined pre-tax profit of RM1.8 million for the current period under review was mainly due to lower selling price of eggs.

Investment and Trading

For the current period under review, it recorded a slight increase in revenue by RM2.1 million and pre-tax profit by RM0.2 million respectively for the segment.

B2. Comparison with the Immediate Preceding Quarter's Results

	Current	Preceding	Variance	
	Quarter ended 31 Mar 2016 RM'000	Quarter ended 31 Dec 2015 RM'000	RM'000	%
Revenue	101,935	107,087	(5,152)	(4.8)
Profit before taxation	4,608	6,000	(1,392)	(23.2)

The revenue decreased from RM107.1 million to RM101.9 million representing approximate 4.8% lower due to the depressed selling price of eggs in the current quarter. In line with the decrease in revenue, the Group recorded a lower pre-tax profit of RM4.6 million representing a decrease of approximate 23.2% in the current quarter.

B3. Current Year Prospects

In view of the cautious consumers' spending in the market, the Directors are in opinion that the remaining 9-month 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 Mar 2016 RM'000	Current Year to date ended 31 Mar 2016 RM'000
Current year provision	1,364	1,364
Deferred taxation/(Reversal)	(351)	(351)
	<u>1,013</u>	<u>1,013</u>

The Group's effective income tax for the current financial period to date reflects a lower income tax rate.

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 March 2016 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings	4,300	84,026	88,326
Hire Purchase - current	6,930	-	6,930
Hire Purchase - non-current	10,640	-	10,640
Long term borrowings - current	5,753	880	6,633
Long term borrowings - non-current	30,660	1,827	32,487
Total	<u>58,283</u>	<u>86,733</u>	<u>145,016</u>

The Group borrowings are denominated in following currency:

		'000
Ringgit Malaysia	RM	130,290
Singapore Dollar	SGD	5,074

B8. Financial Instruments

The Group entered into the following foreign currency contract to hedge its foreign purchases as at 31 March 2016:

Forward Foreign Currency Contracts	Notional Value (RM'000)	Fair Value (RM'000)	Fair Value Change (RM'000)
Europe (Eur)			
- less than 1 year	322	310	(12)
US Dollar (USD)			
- less than 1 year	1,083	1,018	(65)

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 2016 RM'000	Preceding Quarter ended 31 Dec 2015 RM'000
Realised profit	173,245	169,753
Unrealised loss	(16,101)	(16,199)
Retained profit	<u>157,144</u>	<u>153,554</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 Mar 2016	Preceding Year Corresponding Quarter 31 Mar 2015	Current YTD 31 Mar 2016	Preceding YTD 31 Mar 2015
Profit attributable to Ordinary Equity Holders of the Parent (RM'000)	3,590	17,490	3,590	17,490
Number of ordinary shares in issue (‘000)	299,792	267,778	299,792	267,778
Basic earnings per share (sen)	<u>1.20</u>	<u>6.53</u>	<u>1.20</u>	<u>6.53</u>
Diluted earnings per share (sen)	<u>1.18</u>	<u>5.80</u>	<u>1.18</u>	<u>5.80</u>

B13. Notes to the Statement of Comprehensive Income

	Current Quarter ended 31 Mar 2016 RM'000	Current Year-to-date 31 Mar 2016 RM'000
Interest income	(49)	(49)
Other income	(821)	(826)
Depreciation and amortisation	3,790	3,790
(Gain)/Loss on derivative	93	93
(Gain)/Loss on foreign exchange	734	734

B14. Authorisation for Issue

The financial statements were authorised for issue by the Board of Directors on 24 May 2016.