

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31-Dec-16 RM'000	31-Dec-15 RM'000	31-Dec-16 RM'000	31-Dec-15 RM'000
Revenue	111,645	107,087	433,712	412,758
Operating Expenses	(107,080)	(100,780)	(402,438)	(365,214)
Other Income	1,385	1,096	4,490	7,984
Finance Cost	(1,601)	(1,403)	(6,676)	(4,808)
Profit before Taxation	<u>4,349</u>	<u>6,000</u>	<u>29,088</u>	<u>50,720</u>
Tax Expense	(557)	(1,736)	(6,359)	(9,619)
<b>Profit for the Period</b>	<b><u>3,792</u></b>	<b><u>4,264</u></b>	<b><u>22,729</u></b>	<b><u>41,101</u></b>
Other Comprehensive Income:				
Available-for-sale Financial Assets	(2)	7	2	5
Currency Translation Differences	235	460	289	578
<b>Total Comprehensive Income for the Period</b>	<b><u>4,025</u></b>	<b><u>4,731</u></b>	<b><u>23,020</u></b>	<b><u>41,684</u></b>
<i>Profit/(Loss) for the period attributable to:</i>				
Equity holders of the parent	3,792	4,264	22,729	40,996
Non-controlling interest	-	-	-	105
	<u>3,792</u>	<u>4,264</u>	<u>22,729</u>	<u>41,101</u>
<i>Total Comprehensive Income/(Expense) attributable to:</i>				
Equity holders of the parent	4,025	4,731	23,020	41,579
Non-controlling interest	-	-	-	105
	<u>4,025</u>	<u>4,731</u>	<u>23,020</u>	<u>41,684</u>
<b>Basic Earnings per Share (sen)</b>	<b><u>1.26</u></b>	<b><u>1.42</u></b>	<b><u>7.58</u></b>	<b><u>13.67</u></b>
<b>Diluted EPS (sen)</b>	<b><u>1.26</u></b>	<b><u>1.54</u></b>	<b><u>7.58</u></b>	<b><u>13.31</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 2015.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at Financial Year Ended	As at Preceding Financial Year Ended
	31-Dec-16 RM'000	31-Dec-15 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant & equipment	261,197	221,621
Investment properties	912	931
Other investments	18	16
	<u>262,127</u>	<u>222,568</u>
<b>Current Assets</b>		
Biological assets	37,753	34,643
Inventories	28,709	19,821
Trade receivables	41,733	41,574
Other receivables and prepaid expenses	8,191	14,716
Tax recoverable	7,452	1,297
Derivative assets	1	16
Fixed deposit, bank and cash balances	34,264	30,239
	<u>158,103</u>	<u>142,306</u>
<b>TOTAL ASSETS</b>	<b><u>420,230</u></b>	<b><u>364,874</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable to Owners of the Company</b>		
Share capital	60,000	60,000
Treasury shares	(376)	(376)
Reserves	147,733	132,038
<b>TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	<u>207,357</u>	<u>191,662</u>
<b>Non-Current Liabilities</b>		
Term loan	42,408	11,528
Hire purchase payable	8,999	12,034
Deferred tax liabilities	16,939	16,226
	<u>68,346</u>	<u>39,788</u>
<b>Current Liabilities</b>		
Trade payables	29,774	22,720
Other payables and accrued expenses	15,698	18,530
Hire purchase payables	6,722	7,188
Overdraft & short term borrowings	92,333	84,986
	<u>144,527</u>	<u>133,424</u>
<b>TOTAL LIABILITIES</b>	<u>212,873</u>	<u>173,212</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>420,230</u></b>	<b><u>364,874</u></b>
<i>Net asset per share attributable to Ordinary Equity Holders of the Parent (RM)</i>	<b><i>0.69</i></b>	<b><i>0.64</i></b>

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								22,729	22,729		22,729
Other Comprehensive Income for the period						2	289		291		291
Dividend paid								(7,495)	(7,495)		(7,495)
Realisation of revaluation reserves					(506)			676	170		170
Balance as at 31 December 2016	60,000	(26,078)	1	(376)	3,526	15	805	169,464	207,357	-	207,357
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								40,996	40,996	105	41,101
Other Comprehensive Income for the period						5	578		583		583
Repurchase of shares				(376)					(376)		(376)
Bonus issue	20,000		(8,011)					(11,989)	-		-
Exercise of warrant			1						1		1
Dividend paid								(7,495)	(7,495)		(7,495)
Acquisition of non-controlling interest								(343)	(343)	(207)	(550)
Balance as at 31 December 2015	60,000	(26,078)	1	(376)	4,032	12	516	153,554	191,662	-	191,662

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.

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**

	Current Year To Date 31-Dec-16 RM'000	Preceding Year To Date 31-Dec-15 RM'000
Profit before taxation	29,088	50,720
Adjustments for non-cash flow:		
Non-cash items	16,469	9,926
Non-operating items	6,009	4,365
Operating profit before working capital changes	<u>51,566</u>	<u>65,011</u>
Changes in working capital		
Net changes in current assets	(6,161)	(9,384)
Net changes in current liabilities	4,394	(4,962)
Cash generated from operations	<u>49,799</u>	<u>50,665</u>
Income tax paid	(11,802)	(13,704)
<b>Net Cash Flow from Operating Activities</b>	<b><u>37,997</u></b>	<b><u>36,961</u></b>
Interest income received	229	293
Proceeds from disposal of property, plant and equipment	214	507
Purchase of property, plant and equipment	(52,872)	(28,752)
Acquisition of subsidiary company	-	(26,449)
Acquisition of non-controlling interest	-	(551)
<b>Net Cash Flow from/(used in) Investing Activities</b>	<b><u>(52,429)</u></b>	<b><u>(54,952)</u></b>
Exercise of warrant		2
Share repurchased	-	(376)
Bank borrowings	32,628	21,258
Finance cost paid	(6,676)	(4,808)
Net (increase)/decrease in fixed deposit pledged	-	473
Dividend paid	(7,495)	(7,495)
<b>Net Cash Flow from/(used in) Financing Activities</b>	<b><u>18,457</u></b>	<b><u>9,054</u></b>
<b>Net Increase/(Decrease) in cash and cash equivalents</b>	<b>4,025</b>	<b>(8,937)</b>
<b>Cash and cash equivalents at the beginning of the financial period</b>	<b>30,239</b>	<b>39,176</b>
<b>Cash and cash equivalents at the end of the financial period</b>	<b><u>34,264</u></b>	<b><u>30,239</u></b>
<b>Cash and cash equivalents comprise:</b>		
Bank and cash balances	<b><u>34,264</u></b>	<b><u>30,239</u></b>

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 FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 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:

<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) 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. 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**

A final single-tier dividend of 5% equivalent to RM2,997,922 in respect of the previous financial year ended 31 December 2015 was paid on 22 July 2016. An interim single-tier dividend of 7.5% equivalent to RM4,496,883 for the current financial year ending 31 December 2016 was declared on 8 November 2016 and paid on 30 November 2016.

**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	263,014	16,873
b. Investment and Trading of related poultry products	170,698	12,215
<b>Total</b>	<b>433,712</b>	<b>29,088</b>

**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	4,151
Approved but not contracted for	3,923

**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 RM298.6 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-Dec-16 RM'000	Cumulative YTD ended 31-Dec-16 RM'000
Sales of eggs, veterinary products, egg trays and others	6,018	25,056
Purchase of day-old-chick, verterinary products and raw materials	9,791	35,096
Transportation	1,510	5,247
Other services	85	212

**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 2016  RM'000	Preceding Year Corresponding Quarter 31 Dec 2015  RM'000	Current year-to-date 31 Dec 2016  RM'000	Preceding Year Corresponding Period 31 Dec 2015  RM'000
<b>REVENUE</b>				
Poultry Farming	67,666	64,686	263,014	260,323
Investment and Trading	43,979	42,401	170,698	152,435
	<u>111,645</u>	<u>107,087</u>	<u>433,712</u>	<u>412,758</u>
<b>PROFIT/(LOSS) BEFORE TAX</b>				
Poultry Farming	(41)	4,743	16,873	41,079
Investment and Trading	4,390	1,257	12,215	9,641
	<u>4,349</u>	<u>6,000</u>	<u>29,088</u>	<u>50,720</u>

The Group recorded a lower pre-tax profit of approximately RM29.1 million on the back of revenue of RM433.7 million for the current period under review.

Poultry Farming

The Group recorded a sustainable revenue with a slight increase in sales quantity of eggs which was mainly offset by a lower selling price of eggs. As the result of lower selling price of eggs, the segment recorded a lower pre-tax profit of RM16.9 million.

Investment and Trading

In line with the increase in revenue by RM18.3 million for the current period under review, the segment recorded an improved pre-tax profit of RM12.2 million mainly due to the better contribution by our foreign subsidiary and sales of animal health products.

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

	Current	Preceding	Variance	
	Quarter ended 31 Dec 2016 RM'000	Quarter ended 30 Sep 2016 RM'000	RM'000	%
Revenue	111,645	112,175	(530)	(0.5)
Profit before taxation	4,349	8,107	(3,758)	(46.4)

The revenue decreased from RM112.2 million to RM111.6 million representing approximately 0.5% lower due to decreased in selling price of eggs in the current quarter. In line with the decrease in revenue, the Group recorded a lower pre-tax profit of RM4.3 million representing a decrease of approximately 46.4% in the current quarter.



**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 still 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 2016 RM'000	Current Year to date ended 31 Dec 2016 RM'000
Current year provision	(78)	5,795
(Over)/Under provision in prior year	1	(231)
Deferred taxation/(Reversal)	583	744
Real Property Gain Tax ("RPGT")	51	51
	<u>557</u>	<u>6,359</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 December 2016 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings	3,100	80,958	84,058
Hire Purchase - current	6,722	-	6,722
Hire Purchase - non-current	8,999	-	8,999
Long term borrowings - current	7,395	880	8,275
Long term borrowings - non-current	34,887	7,521	42,408
Total	<u>61,103</u>	<u>89,359</u>	<u>150,462</u>

The Group borrowings are denominated in following currency:

		'000
Ringgit Malaysia	RM	135,931
Singapore Dollar	SGD	4,685

**B8. Financial Instruments**

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

Forward Foreign Currency Contracts	Notional Value (RM'000)	Fair Value (RM'000)	Fair Value Change (RM'000)
<b>US Dollar (USD)</b>			
- less than 1 year	409	410	1

**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 final single-tier dividend for the current financial year under review.

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

	Current Quarter ended 31 Dec 2016 RM'000	Preceding Quarter ended 30 Sep 2016 RM'000
Realised profit	186,110	186,055
Unrealised loss	(16,646)	(16,562)
Retained profit	<u>169,464</u>	<u>169,493</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-16	Preceding Year Corresponding Quarter 31-Dec-15	Current YTD 31-Dec-16	Preceding YTD 31-Dec-15
Profit attributable to Ordinary Equity Holders of the Parent (RM'000)	3,792	4,264	22,729	40,996
Number of ordinary shares in issue ('000)	299,879	299,879	299,879	299,879
Basic earnings per share (sen)	<u>1.26</u>	<u>1.42</u>	<u>7.58</u>	<u>13.67</u>
Diluted earnings per share (sen)	<u>1.26</u>	<u>1.38</u>	<u>7.58</u>	<u>13.31</u>

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

	Current Quarter ended 31 Dec 2016 RM'000	Current Year-to-date 31 Dec 2016 RM'000
Interest income	(43)	(229)
Other income	(700)	(2,684)
Depreciation and amortisation	4,140	15,838
(Gain)/Loss on derivative	(1)	15
(Gain)/Loss on foreign exchange	(2,543)	(1,592)

**B14. Authorisation for Issue**

The financial statements were authorised for issue by the Board of Directors on 24 February 2017.