



UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2007

	(Unaudited)	(Audited)
	As At	As At
	31.03.07	31.12.06
ASSETS	RM'000	RM'000
Non-current assets		
Property, plant and equipment	82,621	82,820
Prepaid land lease payments	7,356	7,390
Intangible asset	6	6
	<u>89,983</u>	<u>90,216</u>
Current assets		
Inventories	29,147	23,144
Trade receivables	18,744	24,118
Other receivables, deposits and prepayments	5,626	2,715
Cash and cash equivalents	81	1,658
	<u>53,598</u>	<u>51,635</u>
TOTAL ASSETS	<u>143,581</u>	<u>141,851</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the company		
Share capital	60,000	60,000
Retained earnings	25,083	23,584
Total equity	<u>85,083</u>	<u>83,584</u>
Non-current liabilities		
Borrowings	4,359	4,359
Deferred tax liabilities	10,081	10,152
	<u>14,440</u>	<u>14,511</u>
Current liabilities		
Borrowings	31,567	32,432
Trade payables	7,990	5,328
Other payables	4,558	5,880
Current tax payable	(57)	116
	<u>44,058</u>	<u>43,756</u>
Total liabilities	<u>58,498</u>	<u>58,267</u>
TOTAL EQUITY AND LIABILITIES	<u>143,581</u>	<u>141,851</u>
Net Assets per Share (RM)	0.35	0.35
Net Assets (RM'000)	85,083	83,584

(The Unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2006)



**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2007**

	3 months ended		3 months ended	
	31.03.07	31.03.06	31.03.07	31.03.06
	RM'000	RM'000	RM'000	RM'000
Revenue	27,907	24,743	27,907	24,743
Cost of sales	(23,393)	(20,616)	(23,393)	(20,616)
Gross profit	<u>4,514</u>	<u>4,127</u>	<u>4,514</u>	<u>4,127</u>
Other income	10	15	10	15
Administrative expenses	(1,595)	(1,471)	(1,595)	(1,471)
Selling and marketing expenses	(1,083)	(904)	(1,083)	(904)
Finance costs	(267)	(298)	(267)	(298)
Profit before tax	<u>1,579</u>	<u>1,469</u>	<u>1,579</u>	<u>1,469</u>
Income tax expense	(80)	(433)	(80)	(433)
Profit for the period	<u><u>1,499</u></u>	<u><u>1,036</u></u>	<u><u>1,499</u></u>	<u><u>1,036</u></u>
Attributable to:				
Equity holders of the company	<u><u>1,499</u></u>	<u><u>1,036</u></u>	<u><u>1,499</u></u>	<u><u>1,036</u></u>
Earnings per share attributable to equity holders of the company :				
Basic earnings per share (sen)	<u><u>0.62</u></u>	<u><u>0.54</u></u>	<u><u>0.62</u></u>	<u><u>0.54</u></u>
Diluted earnings per share (sen)	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

(The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2006)



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2007**

	<u>Attributable to Equity Holders of the Company</u>				Total Equity RM'000
	Share Capital RM'000	Non-Distributable		Distributable	
		Share Premium RM'000	Reserve on Consolidation RM'000	Retained Earnings RM'000	
At 1 January 2006	48,000	9,203	11,276	10,396	78,875
(-) Effects of adopting : FRS 3	-	-	(11,276)	11,276	-
	48,000	9,203	-	21,672	78,875
Profit for the period	-	-	-	1,036	1,036
At 31 March 2006	48,000	9,203	-	22,708	79,911
At 1 January 2007	60,000	-	-	23,584	83,584
Profit for the period	-	-	-	1,499	1,499
At 31 March 2007	60,000	-	-	25,083	85,083

(The Unaudited Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2006)



**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2007**

	3 months ended	
	31.03.07	31.03.06
	RM'000	RM'000
Cash flow from operating activities		
Profit before tax	1,579	1,469
Adjustments for :		
Amortisation of prepaid land lease payments	34	34
Depreciation	1,262	1,089
Interest expense	264	298
Interest income	(8)	(13)
Property, plant and equipment written off	1	-
Operating profit before working capital changes	<u>3,132</u>	<u>2,877</u>
Increase in inventories	(6,003)	(4,477)
(Increase)/decrease in trade and other receivables	2,463	(359)
Increase in trade and other payables	<u>3,968</u>	<u>3,140</u>
Cash generated from operations	3,560	1,181
Interest paid	(264)	(298)
Interest received	8	13
Taxation paid	<u>(324)</u>	<u>(321)</u>
Net cash flow from operating activities	<u>2,980</u>	<u>575</u>
Cash flow from investing activity		
Purchase of property, plant and equipment	<u>(1,064)</u>	<u>(3,160)</u>
Net cash flow from investing activity	<u>(1,064)</u>	<u>(3,160)</u>
Cash flow from financing activities		
Dividends paid	(2,628)	(3,302)
Proceeds from bankers' acceptance	14,951	15,431
Repayment of bankers' acceptance	(17,314)	(11,874)
Proceed from term loan	-	2,205
Repayment of term loans	(1,075)	(898)
Repayment of hire purchase payables	-	(16)
Net cash flow from financing activities	<u>(6,066)</u>	<u>1,546</u>
Net changes in cash and cash equivalents	(4,150)	(1,039)
Cash and cash equivalents at beginning of the financial period	<u>(3,898)</u>	<u>2,016</u>
Cash and cash equivalents at end of the financial period	<u>(8,048)</u>	<u>977</u>
Cash and cash equivalents at the end of the financial period comprise of the following :		
	As at	As at
	31.03.07	31.03.06
	RM'000	RM'000
Cash and cash equivalents	81	1,281
Bank overdrafts	(8,129)	(304)
	<u>(8,048)</u>	<u>977</u>

(The Unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2006)



NOTES TO THE INTERIM FINANCIAL REPORT

PART A : EXPLANATORY NOTES AS PER FRS 134₂₀₀₄

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standard 134₂₀₀₄ Interim Financial Reporting and Chapter 9 part K of the Listing Requirements of the Bursa Malaysia Securities Berhad and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2006.

The accounting policies and methods of computation adopted by the Group in this interim financial statements are consistent with those adopted in the financial statements for the financial year ended 31 December 2006.

A2. Auditors' Report

The auditors' report on the financial statements for the financial year ended 31 December 2006 was not subject to any qualification.

A3. Seasonal and Cyclical factors

The Group's product are subjected to some seasonality whereby production usually slows down slightly in the first quarter of the year. Production runs normally from the second quarter and peaks in third and fourth quarters before the major festivals such as Hari Raya, Christmas day, New Year and Chinese New Year and long school holiday periods.

A4. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting the assets, liabilities, equity, net income, or cash flows because of their nature, size, or incidence for the current quarter under review and financial year to date.

A5. Material Changes in Estimates

There were no other changes in accounting estimates of amounts reported in prior interim periods or the current financial period or changes in estimates of amounts reported in prior financial years.

A6. Issuances and repayment of debt and equity securities

There was no issuances, cancellations, repurchases, resale and repayments of debt and equity securities in the current financial quarter under review.



NOTES TO THE INTERIM FINANCIAL REPORT

A7. Dividends paid

The interim dividend of 1.5 sen per ordinary share less 27% of income tax in respect of the financial year ended 31 December 2006 was paid on 15 February 2007.

A8. Segmental Reporting

Segmental information is presented in respect of the Group's business segments:-

	<u>PVC</u> <u>Sheeting</u> RM'000	<u>PP Non-</u> <u>Woven</u> RM'000	<u>PVC</u> <u>Leather</u> RM'000	<u>Others</u> RM'000	<u>Elimination</u> RM'000	<u>Group</u> RM'000
1 January 2007 to 31 March 2007						
Revenue						
External Revenue	23,645	1,134	1,392	1,736	-	27,907
Results						
Segment results	1,556	75	92	113	-	1,836
Other income						10
Finance costs						(267)
Profit before tax						1,579
Income tax expense						(80)
Profit for the period						1,499

A9. Valuation of Property, Plant and Equipment

There was no revaluation of property, plant and equipment by the Group since the last audited financial statements for the financial year ended 31 December 2006.

A10. Subsequent Events

There were no material events between the end of the reporting quarter and the date of this announcement.

A11. Changes In The Composition of The Group

There were no changes in the composition of the Group for the current year to date.



NOTES TO THE INTERIM FINANCIAL REPORT

A12. Contingent Liabilities

As at 31 March 2007, the Group has no material contingent liabilities save for a corporate guarantee of RM60,905,000 issued by the Company in respect of banking facilities granted to the subsidiaries.

A13. Capital Commitments

The amount of commitments for the purchase of property, plant and equipment not provided for in the interim financial statements as at 31 March 2007 is as follows :-

	RM'000
Contracted but not provided for	<u>5,971</u>

PART B : ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

B1. Review of Performance

For the current quarter, the Group recorded a revenue of RM27.91 million while profit before tax recorded at RM1.58 million. The major contributor of the Group's revenue was PVC sheeting, it contributed approximately 84.73% for current quarter. There were no material factors affecting the earning and revenue of the Group for the current quarter and financial year to date.

B2. Variation of Results Against Preceding Quarter

A comparison of the quarterly results of the current and preceding quarter is as follows:

	Current	Preceding
	01/01/07-	01/10/06-
	31/03/07	31/12/06
	(RM'000)	(RM'000)
Profit before tax	1,579	1,469
Profit for the period	1,499	1,036

The Group's profit before tax for the current quarter increased by RM0.11 million from RM1.47 million recorded in the preceding quarter to RM1.58 million. This was mainly due to higher sales volume achieved for PVC products.



NOTES TO THE INTERIM FINANCIAL REPORT

B3. Prospects

The Board of Directors is cautiously optimistic of achieving satisfactory results in year 2007 by improvement in operational efficiency, product quality and enhancement of its product range through upgrading and purchase of machinery so as to increase its market share.

B4. Variance of Actual and Forecast Profit

Not applicable

B5. Income Tax Expense

	Current Quarter 31.03.07 RM'000	3 months Cumulative 31.03.07 RM'000
Current tax expense		
- current	151	151
Deferred tax expense		
Origination and reversal of temporary differences		
- current	(71)	(71)
Total income tax expense	<u>80</u>	<u>80</u>

The Group's effective tax rate for the current period was lower than the statutory tax rate of 27% due to double deduction claimed on certain eligible expenditure and claims on reinvestment allowances by a subsidiary company.

B6. Sale of Unquoted Investments and/or Properties

There were no sale of unquoted investments and/or properties for the current quarter and financial year to date.

B7. Purchase or Disposal of Quoted Securities

There were no purchases or disposals of quoted securities for the current quarter under review and financial year to date.



NOTES TO THE INTERIM FINANCIAL REPORT

B8. Status of Corporate Proposal

There were no corporate proposals announced but not completed as at the date of issue of this interim financial report.

B9. Group Borrowings

The Group's borrowings as at 31 March 2007 were as follows:-

	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Short term</u>			
Bank overdrafts	8,129	-	8,129
Bankers' acceptance	20,046	-	20,046
Term loans	3,392	-	3,392
	<u>31,567</u>	<u>-</u>	<u>31,567</u>
<u>Long term</u>			
Term loans	4,359	-	4,359
	<u>35,926</u>	<u>-</u>	<u>35,926</u>
Total borrowings	35,926	-	35,926

B10. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at the date of this report (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

B11. Material Litigation

The Group is not engaged in any material litigation as at the date of this report (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

B12. Dividends payable

A final dividend of 1.5 sen per ordinary share less tax for the financial year ended 31 December 2006 will be proposed for shareholders' approval at the forthcoming Annual General Meeting.



NOTES TO THE INTERIM FINANCIAL REPORT

B13. Basis of Calculation of Earnings Per Share

The basic earnings per share for the current quarter and cumulative months to date are computed as follow:

	Individual Current Quarter 31.03.07	Cumulative Months To Date 31.03.07
Net profit attributable to ordinary equity holders of the company (RM'000)	1,499	1,499
Weighted average number of ordinary shares of RM0.25 each in issue ('000)	240,000	240,000
Basic Earnings Per Share based on weighted average number of ordinary shares of RM0.25 each in issue (sen)	0.62	0.62

There is no diluted earnings per share as there were no potential dilutive ordinary shares outstanding as at the end of the reporting period.

By order of the Board

TEK SENG HOLDINGS BERHAD

**LOH KOK BENG
EXECUTIVE CHAIRMAN**

Dated : 20 April 2007