



**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET  
AS AT 30 JUNE 2009**

	(Unaudited)	(Audited)
	As At	As At
	<b>30.06.09</b>	<b>31.12.08</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	112,931	114,842
Prepaid land lease payments	7,055	7,122
Intangible asset	9	10
Deferred tax assets	5,644	5,632
	<u>125,639</u>	<u>127,606</u>
<b>Current assets</b>		
Inventories	30,092	32,683
Trade receivables	20,948	24,991
Other receivables, deposits and prepayments	2,254	1,289
Tax recoverable	368	0
Cash and cash equivalents	1,618	1,192
	<u>55,280</u>	<u>60,155</u>
<b>TOTAL ASSETS</b>	<u>180,919</u>	<u>187,761</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the company</b>		
Share capital	60,000	60,000
Retained earnings	51,788	48,182
<b>Total equity</b>	<u>111,788</u>	<u>108,182</u>
<b>Non-current liability</b>		
Borrowings	7,083	7,039
	<u>7,083</u>	<u>7,039</u>
<b>Current liabilities</b>		
Borrowings	38,266	55,355
Trade payables	11,471	6,631
Other payables	12,304	10,484
Dividend payables	7	13
Current tax payable	0	57
	<u>62,048</u>	<u>72,540</u>
<b>Total liabilities</b>	<u>69,131</u>	<u>79,579</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>180,919</u>	<u>187,761</u>
Net Assets per Share (RM)	0.47	0.45
Net Assets (RM'000)	111,788	108,182

(The Unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2008)



**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS  
FOR THE THREE-MONTHS PERIOD ENDED 30 JUNE 2009**

	3 months ended		6 months ended	
	30.06.09 RM'000	30.06.08 RM'000	30.06.09 RM'000	30.06.08 RM'000
Revenue	34,540	43,110	65,457	81,485
Cost of sales	(28,569)	(36,411)	(55,551)	(68,422)
<b>Gross profit</b>	<u>5,971</u>	<u>6,699</u>	<u>9,906</u>	<u>13,063</u>
Other income	118	5	120	14
Administrative expenses	(907)	(1,839)	(3,382)	(3,578)
Selling and marketing expenses	(870)	(1,336)	(1,841)	(2,371)
Finance costs	(334)	(597)	(794)	(1,051)
<b>Profit before tax</b>	<u>3,978</u>	<u>2,932</u>	<u>4,009</u>	<u>6,077</u>
Current tax	(319)	(805)	(415)	(1,399)
Deferred tax	(140)	(170)	12	(365)
<b>Profit for the period</b>	<u><u>3,519</u></u>	<u><u>1,957</u></u>	<u><u>3,606</u></u>	<u><u>4,313</u></u>
Attributable to:				
Equity holders of the company	<u><u>3,519</u></u>	<u><u>1,957</u></u>	<u><u>3,606</u></u>	<u><u>4,313</u></u>
<b>Earnings per share attributable to equity holders of the company :</b>				
Basic earnings per share (sen)	<u><u>1.47</u></u>	<u><u>0.82</u></u>	<u><u>1.51</u></u>	<u><u>1.80</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 2008)



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2009**

	<u>Attributable to Equity Holders of the Company</u>		<b>Total Equity RM'000</b>
	<b>Share Capital RM'000</b>	<b>Distributable Retained Earnings RM'000</b>	
At 1 January 2008 (As previously stated)	60,000	32,067	92,067
Adoption of FRS 112	-	13,431	13,431
As restated	60,000	45,498	105,498
Profit for the period	-	4,313	4,313
Dividends	-	(7,992)	(7,992)
At 30 June 2008	<u>60,000</u>	<u>41,819</u>	<u>101,819</u>
At 1 January 2009	60,000	48,182	108,182
Profit for the period	-	3,606	3,606
At 30 June 2009	<u>60,000</u>	<u>51,788</u>	<u>111,788</u>

(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 2008)



**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2009**

	<b>6 months ended</b>	
	<b>30.06.09</b>	<b>30.06.08</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flow from operating activities</b>		
Profit before tax	4,009	6,077
Adjustments for :		
Amortisation of intangible asset	1	1
Amortisation of prepaid land lease payments	67	67
Allowance for doubtful debts	30	0
Bad debts written off	117	0
Depreciation	6,689	5,937
Interest expense	794	1,046
Interest income	0	(10)
Loss on disposal of property, plant and equipment	11	0
Property, plant and equipment written off	3	0
Operating profit before working capital changes	<u>11,721</u>	<u>13,118</u>
Decrease / (increase) in inventories	2,591	(2,831)
Decrease / (increase) in trade and other receivables	2,931	(405)
Increase in trade and other payables	<u>6,660</u>	<u>9,529</u>
Cash generated from operations	23,903	19,411
Interest paid	(794)	(1,046)
Interest received	0	10
Tax paid	<u>(840)</u>	<u>(662)</u>
<b>Net cash flow from operating activities</b>	<u>22,269</u>	<u>17,713</u>
<b>Cash flow from investing activities</b>		
Proceeds from disposal of property, plant and equipment	26	0
Purchase of property, plant and equipment	<u>(4,818)</u>	<u>(19,695)</u>
<b>Net cash flow from investing activities</b>	<u>(4,792)</u>	<u>(19,695)</u>
<b>Cash flow from financing activities</b>		
Dividends paid	(6)	(1,190)
Proceeds from short term bank borrowings	55,530	59,100
Repayment of short term bank borrowings	(64,386)	(51,730)
Repayment of term loans	(2,759)	(3,502)
Proceed from hire purchase payable	0	146
Repayment of hire purchase payable	(49)	(49)
<b>Net cash flow from financing activities</b>	<u>(11,670)</u>	<u>2,775</u>
<b>Net change in cash and cash equivalents</b>	5,807	793
<b>Cash and cash equivalents at beginning of the financial period</b>	<u>(4,708)</u>	<u>2,075</u>
<b>Cash and cash equivalents at end of the financial period</b>	<u>1,099</u>	<u>2,868</u>
Cash and cash equivalents at the end of the financial period comprise of the following :		
	<b>As at</b>	<b>As at</b>
	<b>30.06.09</b>	<b>30.06.08</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and cash equivalents	1,618	3,182
Bank overdrafts	<u>(519)</u>	<u>(314)</u>
	<u>1,099</u>	<u>2,868</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 2008)



## NOTES TO THE INTERIM FINANCIAL REPORT

### PART A : EXPLANATORY NOTES AS PER FRS 134

#### A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standard 134 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 2008.

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 2008.

#### A2. Auditors' Report

The auditors' report on the financial statements for the financial year ended 31 December 2008 was not subject to any qualification.

#### A3. Seasonal and Cyclical factors

The Group's product are subject 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.

#### A7. Dividend paid

There was no dividend paid during the current quarter.



**NOTES TO THE INTERIM FINANCIAL REPORT**

**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
<b>1 January 2009 to 30 June 2009</b>						
<b>Revenue</b>						
External Revenue	47,710	4,272	3,808	9,667	0	65,457
<b>Results</b>						
Segment results	3,413	306	272	692	0	4,683
Other income						120
Finance costs						(794)
Profit before tax						4,009
Income tax expense						(403)
Profit for the period						<u>3,606</u>

**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 2008.

**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.

**A12. Contingent Liabilities**

As at 30 June 2009, the Group has no material contingent liabilities save for a corporate guarantee of RM98,335,700 issued by the Company in respect of banking facilities granted to the subsidiary companies.

**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 30 June 2009 is as follows :-

	<b>RM'000</b>
Contracted but not provided for	<u>394</u>



## NOTES TO THE INTERIM FINANCIAL REPORT

### 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 RM34.5 million while profit before tax was recorded at RM3.98 million. The major contributor of the Group's revenue was PVC sheeting, which contributed approximately 76.52% towards the current quarter. As compared to corresponding quarter of 30 June 2008, the revenue has decreased by RM8.6 million. However, the Group's gross profit margin has improved from 15.54% to 17.29% as a result of lower cost of raw materials.

#### B2. Variation of Results Against Preceding Quarter

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

	<b>Current Quarter</b> <b>01/04/09-30/06/09</b> <b>(RM'000)</b>	<b>Preceding</b> <b>01/01/09-31/03/09</b> <b>(RM'000)</b>
Profit before tax	3,978	31
Profit for the period	3,519	87

The Group's profit before tax for the current quarter increased by RM3.95 million from RM31,209 as recorded in the preceding quarter to RM3.98 million. This was mainly due to higher sales volume achieved for PVC products as a result of seasonal factor.

#### B3. Prospects

The Board of Directors expects the prevailing global economic uncertainties will affect the performance of the Group and will be a challenging year to the Group. However, the Group will be taking cautious approach to minimise the exposure from the economic turmoil by improving its operational efficiency and product quality as well as enhancement of its product range in order to increase its market share.

#### B4. Variance of Actual and Forecast Revenue

Not applicable.

#### B5. Income Tax Expense

	<b>Current Quarter</b> <b>30.06.09</b> <b>RM'000</b>	<b>6 months</b> <b>Cumulative</b> <b>30.06.09</b> <b>RM'000</b>
<b>Current tax expense</b>		
- current	282	378
- prior years	37	37
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences		
- current	140	(12)
Total tax income	<u>459</u>	<u>403</u>

The Group's effective tax rate for the current period was lower than the statutory tax rate of 25% due to double deduction claimed on certain eligible expenditure, claims on reinvestment allowances and recognition of deferred tax assets by subsidiary companies.



**NOTES TO THE INTERIM FINANCIAL REPORT**

**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.

**B8. Status of Corporate Proposal**

There were no corporate proposals announced as at the date of issue of this interim financial report.

**B9. Group Borrowings**

The Group's borrowings as at 30 June 2009 were as follows:-

	Secured RM'000	Unsecured RM'000	Total RM'000
<b><u>Short term</u></b>			
Bank overdrafts	519	-	519
Bankers' acceptance	33,709	-	33,709
Foreign currency trust receipt	360	-	360
On shore foreign currency financing	1,178	-	1,178
Term loans	2,500	-	2,500
	38,266	-	38,266
<b><u>Long term</u></b>			
Term loans	7,083	-	7,083
	7,083	-	7,083
<b>Total borrowings</b>	45,349	-	45,349

Borrowings denominated in foreign currency:

	USD'000	RM'000 Equivalent
Foreign currency trust receipt	103	360
On shore foreign currency financing	337	1,178
Term loan	1,551	5,428
	1,551	5,428

**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).





## NOTES TO THE INTERIM FINANCIAL REPORT

### B12. Dividend payable

An interim dividend of 2 sen per ordinary share less 25% tax in respect of the financial year ending 31 December 2009 will be paid on 30 September 2009.

### 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:

	<b>Individual Current Quarter 30.06.09</b>	<b>Cumulative Months To Date 30.06.09</b>
Net profit attributable to ordinary equity holders of the company (RM'000)	3,519	3,606
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)	1.47	1.51

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 : 18 August 2009**