



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

	(Unaudited)	(Audited)
	As At	As At
	30.09.09	31.12.08
ASSETS	RM'000	RM'000
Non-current assets		
Property, plant and equipment	111,888	114,842
Prepaid land lease payments	7,021	7,122
Intangible asset	9	10
Deferred tax assets	5,495	5,632
	<u>124,413</u>	<u>127,606</u>
Current assets		
Inventories	27,052	32,683
Trade receivables	29,393	24,991
Other receivables, deposits and prepayments	458	1,289
Cash and cash equivalents	3,044	1,192
	<u>59,947</u>	<u>60,155</u>
TOTAL ASSETS	<u>184,360</u>	<u>187,761</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the company		
Share capital	60,000	60,000
Retained earnings	52,324	48,182
Total equity	<u>112,324</u>	<u>108,182</u>
Non-current liability		
Borrowings	7,083	7,039
	<u>7,083</u>	<u>7,039</u>
Current liabilities		
Borrowings	41,682	55,355
Trade payables	10,662	6,631
Other payables	8,924	10,484
Dividend payables	3,578	13
Current tax payable	107	57
	<u>64,953</u>	<u>72,540</u>
Total liabilities	<u>72,036</u>	<u>79,579</u>
TOTAL EQUITY AND LIABILITIES	<u>184,360</u>	<u>187,761</u>
Net Assets per Share (RM)	0.47	0.45
Net Assets (RM'000)	112,324	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 SEPTEMBER 2009**

	3 months ended		9 months ended	
	30.09.09 RM'000	30.09.08 RM'000	30.09.09 RM'000	30.09.08 RM'000
Revenue	45,647	51,086	111,104	132,571
Cost of sales	(37,495)	(42,602)	(93,046)	(111,024)
Gross profit	<u>8,152</u>	<u>8,484</u>	<u>18,058</u>	<u>21,547</u>
Other income	4	5	124	19
Administrative expenses	(1,724)	(1,854)	(5,106)	(5,432)
Selling and marketing expenses	(1,156)	(1,438)	(2,997)	(3,809)
Finance costs	(377)	(725)	(1,171)	(1,776)
Profit before tax	<u>4,899</u>	<u>4,472</u>	<u>8,908</u>	<u>10,549</u>
Current tax	(614)	(767)	(1,029)	(2,166)
Deferred tax	(149)	(148)	(137)	(513)
Profit for the period	<u><u>4,136</u></u>	<u><u>3,557</u></u>	<u><u>7,742</u></u>	<u><u>7,870</u></u>
Attributable to:				
Equity holders of the company	<u><u>4,136</u></u>	<u><u>3,557</u></u>	<u><u>7,742</u></u>	<u><u>7,870</u></u>
Earnings per share attributable to equity holders of the company :				
Basic earnings per share (sen)	<u><u>1.72</u></u>	<u><u>1.48</u></u>	<u><u>3.23</u></u>	<u><u>3.28</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 SEPTEMBER 2009**

	<u>Attributable to Equity Holders of the Company</u>		Total Equity RM'000
	Share Capital RM'000	Distributable Retained Earnings RM'000	
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	-	7,870	7,870
Dividends	-	(7,992)	(7,992)
At 30 September 2008	<u>60,000</u>	<u>45,376</u>	<u>105,376</u>
At 1 January 2009	60,000	48,182	108,182
Profit for the period	-	7,742	7,742
Dividend	-	(3,600)	(3,600)
At 30 September 2009	<u>60,000</u>	<u>52,324</u>	<u>112,324</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 SEPTEMBER 2009**

	9 months ended	
	30.09.09 RM'000	30.09.08 RM'000
Cash flow from operating activities		
Profit before tax	8,908	10,549
Adjustments for :		
Amortisation of intangible asset	1	1
Amortisation of prepaid land lease payments	101	101
Allowance for doubtful debts	60	0
Bad debts written off	140	0
Depreciation	10,102	8,722
Interest expense	1,171	1,764
Interest income	0	(14)
Loss on disposal of property, plant and equipment	11	0
Property, plant and equipment written off	61	0
Allowance for doubtful debt no longer required	(400)	0
Operating profit before working capital changes	20,155	21,123
Decrease / (increase) in inventories	5,631	(3,718)
Increase in trade and other receivables	(3,371)	(11,656)
Increase in trade and other payables	2,471	6,416
Cash generated from operations	24,886	12,165
Interest paid	(1,171)	(1,764)
Interest received	0	14
Tax paid	(979)	(1,209)
Net cash flow from operating activities	<u>22,736</u>	<u>9,206</u>
Cash flow from investing activities		
Proceeds from disposal of property, plant and equipment	26	438
Purchase of property, plant and equipment	(7,246)	(24,847)
Purchase of intangible asset	0	(7)
Net cash flow from investing activities	<u>(7,220)</u>	<u>(24,416)</u>
Cash flow from financing activities		
Dividends paid	(35)	(4,947)
Proceeds from short term bank borrowings	87,255	100,360
Repayment of short term bank borrowings	(91,308)	(85,436)
Proceed from term loan	0	6,567
Repayment of term loans	(4,001)	(5,289)
Proceed from hire purchase payable	0	146
Repayment of hire purchase payable	(49)	(73)
Net cash flow from financing activities	<u>(8,138)</u>	<u>11,328</u>
Net change in cash and cash equivalents	7,378	(3,882)
Cash and cash equivalents at beginning of the financial period	<u>(4,708)</u>	<u>2,075</u>
Cash and cash equivalents at end of the financial period	<u>2,670</u>	<u>(1,807)</u>
Cash and cash equivalents at the end of the financial period comprise of the following :		
	As at	As at
	30.09.09	30.09.08
	RM'000	RM'000
Cash and cash equivalents	3,044	600
Bank overdrafts	(374)	(2,407)
	<u>2,670</u>	<u>(1,807)</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

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



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
1 January 2009 to 30 September 2009						
Revenue						
External Revenue	81,360	6,822	6,312	16,610	0	111,104
Results						
Segment results	7,290	611	566	1,488	0	9,955
Other income						124
Finance costs						(1,171)
Profit before tax						8,908
Income tax expense						(1,166)
Profit for the period						<u>7,742</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 September 2009, the Group has no material contingent liabilities save for a corporate guarantee of RM103,885,700 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 September 2009 is as follows :-

	RM'000
Contracted but not provided for	<u>657</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 RM45.6 million while profit before tax was recorded at RM4.9 million. The major contributor of the Group's revenue was PVC sheeting, which contributed approximately 73.72% towards the current quarter. As compared to corresponding quarter of 30 September 2009, the revenue has decreased by RM5.4 million. However, the Group's gross profit margin has improved from 16.61% to 17.86% 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:

	Current Quarter 01/07/09-30/09/09 (RM'000)	Preceding 01/04/09-30/06/09 (RM'000)
Profit before tax	4,899	3,978
Profit for the period	4,136	3,519

The Group's profit before tax for the current quarter increased by RM0.92 million from RM3.98 million as recorded in the preceding quarter to RM4.90 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

	Current Quarter 30.09.09 RM'000	9 months Cumulative 30.09.09 RM'000
Current tax expense		
- current	577	992
- prior years	37	37
Deferred tax expense		
Origination and reversal of temporary differences		
- current	149	137
Total tax income	<u>763</u>	<u>1,166</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 September 2009 were as follows:-

	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Short term</u>			
Bank overdrafts	374	-	374
Bankers' acceptance	38,557	-	38,557
Foreign currency trust receipt	786	-	786
On-shore foreign currency financing	707	-	707
Term loans	1,258	-	1,258
	<u>41,682</u>	<u>-</u>	<u>41,682</u>
<u>Long term</u>			
Term loans	7,083	-	7,083
	<u>7,083</u>	<u>-</u>	<u>7,083</u>
Total borrowings	<u>48,765</u>	<u>-</u>	<u>48,765</u>

Borrowings denominated in foreign currency:

	USD'000	RM'000 Equivalent
Foreign currency trust receipt	225	786
On-shore foreign currency financing	202	707
Term loan	<u>1,384</u>	<u>4,845</u>

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. 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 30.09.09	Cumulative Months To Date 30.09.09
Net profit attributable to ordinary equity holders of the company (RM'000)	4,136	7,742
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)	1.72	3.23

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 November 2009