



UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2009

	(Unaudited)	(Audited)
	As At	As At
	31.12.09	31.12.08
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	109,571	114,842
Prepaid land lease payments	6,988	7,122
Intangible asset	8	10
Deferred tax assets	6,261	5,632
	<u>122,828</u>	<u>127,606</u>
Current assets		
Inventories	26,743	32,683
Trade receivables	26,036	24,991
Other receivables, deposits and prepayments	1,028	1,289
Tax recoverable	190	-
Cash and cash equivalents	1,524	1,192
	<u>55,521</u>	<u>60,155</u>
TOTAL ASSETS	<u>178,349</u>	<u>187,761</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the company		
Share capital	60,000	60,000
Retained earnings	55,087	48,182
Total equity	<u>115,087</u>	<u>108,182</u>
Non-current liability		
Borrowings	2,759	7,039
	<u>2,759</u>	<u>7,039</u>
Current liabilities		
Borrowings	43,454	55,355
Trade payables	9,251	6,631
Other payables	7,679	10,484
Dividend payables	20	13
Current tax payable	99	57
	<u>60,503</u>	<u>72,540</u>
Total liabilities	<u>63,262</u>	<u>79,579</u>
TOTAL EQUITY AND LIABILITIES	<u>178,349</u>	<u>187,761</u>
Net Assets per Share (RM)	0.48	0.45
Net Assets (RM'000)	115,087	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 31 DECEMBER 2009

	3 months ended		12 months ended	
	31.12.09 RM'000	31.12.08 RM'000	31.12.09 RM'000	31.12.08 RM'000
Revenue	38,324	25,870	149,428	158,441
Cost of sales	(33,167)	(23,589)	(126,213)	(134,613)
Gross profit	<u>5,157</u>	<u>2,281</u>	<u>23,215</u>	<u>23,828</u>
Other income	3	2	127	21
Administrative expenses	(1,394)	(1,917)	(6,500)	(7,349)
Selling and marketing expenses	(1,107)	(863)	(4,104)	(4,672)
Finance costs	(362)	(672)	(1,533)	(2,448)
Profit / (loss) before tax	<u>2,297</u>	<u>(1,169)</u>	<u>11,205</u>	<u>9,380</u>
Current tax	(300)	366	(1,329)	(1,800)
Deferred tax	766	3,644	629	3,131
Profit for the period / year	<u><u>2,763</u></u>	<u><u>2,841</u></u>	<u><u>10,505</u></u>	<u><u>10,711</u></u>
Attributable to:				
Equity holders of the company	<u><u>2,763</u></u>	<u><u>2,841</u></u>	<u><u>10,505</u></u>	<u><u>10,711</u></u>
Earnings per share attributable to equity holders of the company :				
Basic earnings per share (sen)	<u><u>1.15</u></u>	<u><u>1.18</u></u>	<u><u>4.38</u></u>	<u><u>4.46</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 31 DECEMBER 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	0	13,396	13,396
As restated	60,000	45,463	105,463
Profit for the year	0	10,711	10,711
Dividends	0	(7,992)	(7,992)
At 31 December 2008	<u>60,000</u>	<u>48,182</u>	<u>108,182</u>
At 1 January 2009	60,000	48,182	108,182
Profit for the year	0	10,505	10,505
Dividend	0	(3,600)	(3,600)
At 31 December 2009	<u>60,000</u>	<u>55,087</u>	<u>115,087</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 31 DECEMBER 2009**

	12 months ended	
	31.12.09 RM'000	31.12.08 RM'000
Cash flow from operating activities		
Profit before tax	11,205	9,380
Adjustments for :		
Amortisation of intangible asset	2	2
Amortisation of prepaid land lease payments	134	134
Allowance for doubtful debts	0	117
Bad debts written off	28	42
Depreciation	13,561	11,788
Interest expense	1,533	2,429
Interest income	0	(15)
Loss on disposal of property, plant and equipment	3	0
Property, plant and equipment written off	61	0
Allowance for doubtful debt no longer required	(3)	0
Operating profit before working capital changes	<u>26,524</u>	<u>23,877</u>
Decrease / (increase) in inventories	5,940	(2,852)
Decrease / (increase) in trade and other receivables	(809)	7,135
Increase / (decrease) in trade and other payables	<u>(185)</u>	<u>1,830</u>
Cash generated from operations	31,470	29,990
Interest paid	(1,533)	(2,429)
Interest received	0	15
Tax received	0	25
Tax paid	<u>(1,477)</u>	<u>(1,851)</u>
Net cash flow from operating activities	<u>28,460</u>	<u>25,750</u>
Cash flow from investing activities		
Proceeds from disposal of property, plant and equipment	54	441
Purchase of property, plant and equipment	(8,408)	(30,299)
Purchase of intangible asset	0	(7)
Net cash flow from investing activities	<u>(8,354)</u>	<u>(29,865)</u>
Cash flow from financing activities		
Dividends paid	(3,593)	(7,990)
Proceeds from short term bank borrowings	117,645	132,628
Repayment of short term bank borrowings	(123,888)	(120,222)
Proceed from term loans	1,415	0
Repayment of term loans	(5,420)	(6,987)
Repayment of hire purchase payable	(49)	(97)
Net cash flow from financing activities	<u>(13,890)</u>	<u>(2,668)</u>
Net change in cash and cash equivalents	6,216	(6,783)
Cash and cash equivalents at beginning of the financial year	<u>(4,708)</u>	<u>2,075</u>
Cash and cash equivalents at end of the financial year	<u>1,508</u>	<u>(4,708)</u>

Cash and cash equivalents at the end of the financial period comprise of the following :

	As at	As at
	31.12.09 RM'000	31.12.08 RM'000
Cash and cash equivalents	1,524	1,192
Bank overdrafts	<u>(16)</u>	<u>(5,900)</u>
	<u>1,508</u>	<u>(4,708)</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.

At the date of authorisation for issue of these interim financial statements, the following FRSs, amendments to FRSs and Issues Committee Interpretations (“IC Interpretations”) were in issue but not yet effective and have not been applied by the Group:

Standards and Interpretations in issue but not yet effective

FRSs, amendments to FRSs and IC Interpretations		Effective for financial periods beginning on or after
FRS 1	First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 1 and FRS 127	Amendments to FRS 1 First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
Amendments to FRS 2	Share-based Payment - Vesting Conditions and Cancellations	1 January 2010
Amendments to FRS 2	Share-based Payment	1 July 2010
FRS 3	Business Combinations	1 July 2010
FRS 4	Insurance Contracts	1 January 2010
Amendment to FRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2010
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
FRS 7	Financial Instruments : Disclosures	1 January 2010
FRS 7	Amendments to FRS 139 Financial Instruments: Recognition and Measurement, FRS 7 Financial Instruments: Disclosures and IC Interpretation 9 Reassessment of Embedded Derivatives	1 January 2010
FRS 8	Operating Segments	1 July 2009
Amendment to FRS 8	Operating Segments	1 January 2010
FRS 101	Presentation of Financial Statements	1 January 2010
Amendment to FRS 107	Statement of Cash Flows (formerly known as Cash Flow Statements)	1 January 2010
Amendment to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2010
Amendment to FRS 110	Events after the Reporting Period (formerly known as Events after the Balance Sheet Date)	1 January 2010
Amendment to FRS 116	Property, Plant and Equipment	1 January 2010
Amendment to FRS 117	Leases	1 January 2010
Amendment to FRS 118	Revenue	1 January 2010
Amendment to FRS 119	Employee Benefits	1 January 2010
Amendment to FRS 120	Accounting for Government Grants and Disclosure of Government Assistance	1 January 2010
FRS 123 and		
Amendment to FRS 123	Borrowing Costs	1 January 2010
FRS 127	Consolidated and Separate Financial Statements	1 July 2010
Amendment to FRS 127	Consolidated and Separate Financial Statements	1 January 2010
Amendment to FRS 128	Investments in Associates	1 January 2010
Amendment to FRS 129	Financial Reporting in Hyperinflationary Economies	1 January 2010
Amendment to FRS 131	Interests in Joint Ventures	1 January 2010
Amendments to FRS 132	Financial Instruments: Presentation	1 January 2010
Amendment to FRS 134	Interim Financial Reporting	1 January 2010
Amendment to FRS 136	Impairment of Assets	1 January 2010
Amendment to FRS 138	Intangible Assets	1 January 2010
Amendments to FRS 138	Intangible Assets	1 July 2010



NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of Preparation (Continued)

Standards and Interpretations in issue but not yet effective (Continued)

		Effective for financial periods beginning on or after
FRSs, amendments to FRSs and IC Interpretations		
FRS 139	Financial Instruments: Recognition and Measurement	1 January 2010
Amendment to FRS 140	Investment Property	1 January 2010
IC Interpretation 9	Reassessment of Embedded Derivatives	1 January 2010
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives	1 July 2010
IC Interpretation 10	Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11	FRS 2: Group and Treasury Share Transactions	1 January 2010
IC Interpretation 12	Service Concession Arrangements	1 July 2010
IC Interpretation 13	Customer Loyalty Programmes	1 January 2010
IC Interpretation 14	FRS 119: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010
IC Interpretation 15	Agreements for the Construction of Real Estate	1 July 2010
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17	Distributions of Non-cash Assets to Owners	1 July 2010

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 products 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 ended 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 31 December 2009						
Revenue						
External Revenue	111,999	8,979	8,866	19,584	0	149,428
Results						
Segment results	9,452	758	748	1,653	0	12,611
Other income						127
Finance costs						(1,533)
Profit before tax						11,205
Income tax expense						(700)
Profit for the period						<u>10,505</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 31 December 2009, the Group has no material contingent liabilities save for a corporate guarantee of RM103,735,440 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 31 December 2009 is as follows :-

	RM'000
Contracted but not provided for	<u>1,063</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 RM38.3 million while profit before tax was recorded at RM2.3 million. The major contributor of the Group's revenue was PVC sheeting, which contributed approximately 79.95% towards the current quarter. As compared to corresponding quarter of 31 December 2009, the revenue has increased by RM12.5 million and the Group's gross profit margin has improved from 8.82% to 13.46% as a result of lower cost of raw materials. The global economic crisis was also the material factor which affected the financial quarter last year earnings and revenue of the Group.

B2. Variation of Results Against Preceding Quarter

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

	Current Quarter 01/10/09-31/12/09 (RM'000)	Preceding 01/07/09-30/09/09 (RM'000)
Profit before tax	2,297	4,899
Profit for the period	2,763	4,136

The Group's profit before tax for the current quarter decreased by RM2.6 million from RM4.90 million as recorded in the preceding quarter to RM2.3 million. This was mainly due to lower 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 31.12.09 RM'000	12 months Cumulative 31.12.09 RM'000
Current tax expense		
- current	307	1,336
- prior years	(7)	(7)
Deferred tax expense		
Origination and reversal of temporary differences		
- current	(766)	(629)
Total tax income	<u>(466)</u>	<u>700</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 31 December 2009 were as follows:-

	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Short term</u>			
Bank overdrafts	16	-	16
Bankers' acceptance	37,388	-	37,388
Revolving credit	472	-	472
Term loans	5,578	-	5,578
	<u>43,454</u>	<u>-</u>	<u>43,454</u>
<u>Long term</u>			
Term loans	2,759	-	2,759
	<u>2,759</u>	<u>-</u>	<u>2,759</u>
Total borrowings	<u>46,213</u>	<u>-</u>	<u>46,213</u>
Borrowings denominated in foreign currency:			
		USD'000	RM'000 Equivalent
Revolving credit		138	472
Term loans		1,609	5,511
		<u>1,747</u>	<u>5,983</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. Dividend payable

A final dividend of 2 sen per ordinary share less tax for the financial year ended 31 December 2009 will be proposed for shareholders' approval at the forthcoming Annual General Meeting.

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 31.12.09	Cumulative Months To Date 31.12.09
Net profit attributable to ordinary equity holders of the company (RM'000)	2,763	10,505
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)	1.15	4.38

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

By order of the Board

TEK SENG HOLDINGS BERHAD

**LOH KOK BENG
EXECUTIVE CHAIRMAN**

Dated : 25 February 2010