



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2011**

	(Unaudited)	(Audited)
	As At	As At
	30.09.11	31.12.10
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	109,354	105,161
Intangible asset	4	6
Available-for-sales investment	0	221
Deferred tax assets	4,962	5,602
	<u>114,320</u>	<u>110,990</u>
Current assets		
Inventories	25,372	27,540
Trade receivables	31,857	28,386
Other receivables, deposits and prepayments	40,563	403
Tax recoverable	240	71
Cash and cash equivalents	1,461	2,661
	<u>99,493</u>	<u>59,061</u>
TOTAL ASSETS	<u>213,813</u>	<u>170,051</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the company		
Share capital	60,000	60,000
Other reserve	0	19
Retained earnings	58,783	57,509
	<u>118,783</u>	<u>117,528</u>
Non controlling interest	1,200	0
Total equity	<u>119,983</u>	<u>117,528</u>
Non-current liability		
Borrowings	373	360
	<u>373</u>	<u>360</u>
Current liabilities		
Borrowings	56,937	32,214
Trade payables	11,478	11,593
Other payables	24,441	7,531
Dividend payables	6	785
Current tax payable	595	40
	<u>93,457</u>	<u>52,163</u>
Total liabilities	<u>93,830</u>	<u>52,523</u>
TOTAL EQUITY AND LIABILITIES	<u>213,813</u>	<u>170,051</u>
Net Assets per Share (RM)	0.49	0.49
Net Assets (RM'000)	118,783	117,528

(The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2010)



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE-MONTHS PERIOD ENDED 30 SEPTEMBER 2011

	3 months ended		9 months ended	
	30.09.11 RM'000	30.09.10 RM'000	30.09.11 RM'000	30.09.10 RM'000
Revenue	50,212	46,159	137,155	125,335
Cost of sales	(43,076)	(39,774)	(118,516)	(109,461)
Gross profit	<u>7,136</u>	<u>6,385</u>	<u>18,639</u>	<u>15,874</u>
Other operating income	3	85	36	112
Operating expenses	(4,382)	(2,977)	(10,432)	(8,354)
Finance costs	(456)	(429)	(1,230)	(1,085)
Profit before tax	<u>2,301</u>	<u>3,064</u>	<u>7,013</u>	<u>6,547</u>
Income tax expense	(827)	(1,312)	(2,139)	(2,072)
PROFIT FOR THE PERIOD	<u>1,474</u>	<u>1,752</u>	<u>4,874</u>	<u>4,475</u>
OTHER COMPREHENSIVE INCOME				
Available for sales financial assets				
- Reclassification adjustment for gain included in profit or loss	0	0	(19)	0
Total comprehensive income for the period	<u>1,474</u>	<u>1,752</u>	<u>4,855</u>	<u>4,475</u>
Profit for the period attributable to:				
- Equity holders of the company	1,474	1,752	4,855	4,475
- Non-controlling interests	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total comprehensive income for the period attributable to:				
- Equity holders of the company	1,474	1,752	4,855	4,475
- Non-controlling interests	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Earnings per share attributable to equity holders of the company :				
Basic earnings per share (sen)	<u>0.61</u>	<u>0.73</u>	<u>2.02</u>	<u>1.87</u>
Diluted earnings per share (sen)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2010)



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2011

	Attributable to Equity Holders of the Company			Non Controlling Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Other Reserve RM'000	Distributable Retained Earnings RM'000		
At 1 January 2010	60,000	0	55,087	0	115,087
Total comprehensive income for the period	0	0	4,475	0	4,475
Dividend	0	0	(3,600)	0	(3,600)
At 30 September 2010	60,000	0	55,962	0	115,962
At 1 January 2011	60,000	19	57,509	0	117,528
Total comprehensive income for the period	0	(19)	4,874	0	4,855
Acquisition of a subsidiary company	0	0	0	1,200	1,200
Dividend	0	0	(3,600)	0	(3,600)
At 30 September 2011	60,000	0	58,783	1,200	119,983

(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 2010)



UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2011

	9 months ended	
	30.09.11	30.09.10
	RM'000	RM'000
Cash flow from operating activities		
Profit before tax	7,013	6,547
Adjustments for :		
Amortisation of intangible asset	2	1
Bad debts written off	0	3
Depreciation and amortisation	9,865	10,739
Interest expense	1,230	1,085
Interest income	5	0
Gain on disposal of property, plant and equipment	(131)	(107)
Gain on disposal of available-for-sale financial assets	(26)	0
Property, plant and equipment written off	5	0
Operating profit before working capital changes	17,963	18,268
Decrease / (Increase) in inventories	2,168	(709)
Decrease in trade and other receivables	(43,631)	(397)
Increase / (Decrease) in trade and other payables	16,795	(3,572)
Cash generated from operations	(6,705)	13,590
Interest paid	(1,230)	(1,085)
Interest received	(5)	0
Tax paid	(1,113)	(1,274)
Net cash flow from operating activities	(9,053)	11,231
Cash flow from investing activities		
Proceeds from disposal of property, plant and equipment	306	246
Purchase of property, plant and equipment	(14,238)	(2,841)
Proceed from disposal of available-for-sale financial assets	228	0
Acquisition of a subsidiary company	1,200	0
Net cash flow from investing activities	(12,504)	(2,595)
Cash flow from financing activities		
Dividends paid	(4,379)	(1,832)
Proceeds from short term bank borrowings	116,541	0
Repayment of short term bank borrowings	(94,151)	(272)
Repayment of term loans	(1,882)	(4,482)
Net cash flow from financing activities	16,129	(6,586)
Net change in cash and cash equivalents	(5,428)	2,050
Cash and cash equivalents at beginning of the financial period	2,437	1,508
Cash and cash equivalents at end of the financial year	(2,991)	3,558

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

	As at	As at
	30.09.11	30.09.10
	RM'000	RM'000
Cash and cash equivalents	1,461	4,124
Bank overdrafts	(4,452)	(566)
	(2,991)	3,558

(The Unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2010)



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 2010.

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 December 2010, except for the adoption of the following Financial Reporting Standards ("FRSs"), amendments to FRSs and Issues Committee Interpretations ("IC Interpretations"):

Amendments to FRS 132	Financial Instruments: Presentation
FRS 1	First-time Adoption of Financial Reporting Standards
Amendments to FRS 2	Share-based Payment
FRS 3	Business Combinations
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
FRS 127	Consolidated and Separate Financial Statements
Amendments to FRS 138	Intangible Assets
Amendments to	
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distribution of Non-cash Assets to Owners
Amendments to FRS 1	Additional Exemptions for First-time Adopters
Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Improvements to FRSs (2010)	
IC Interpretation 4	Determining Whether an Arrangement Contains a Lease
IC Interpretation 18	Transfers of Assets from Customers

The following FRS and IC Interpretations have been issued by the MASB but are not yet effective, and have yet to be adopted by the Group and the Company:

Effective for annual periods commencing on or after 1 July 2011:

Amendments to	
IC Interpretation 14	Prepayments of a Minimum Funding Requirement
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments

Effective for annual periods commencing on or after 1 January 2012:

FRS 124	Related Party Disclosures
IC Interpretation 15	Agreements for the Construction of Real Estate

A2. Auditors' Report

The auditors' report on the financial statements for the financial year ended 31 December 2010 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.



NOTES TO THE INTERIM FINANCIAL REPORT

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 final dividend of 2 sen per ordinary share less 25% of income tax in respect of the financial year ended 31 December 2010 was paid on 8 September 2011.

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 2011 to						
30 September 2011						
Revenue						
External Revenue	104,578	6,979	8,714	16,884	0	137,155
Results						
Segment results	6,258	418	521	1,010	0	8,207
Other operating income						36
Finance costs						(1,230)
Profit before tax						7,013
Income tax expense						(2,139)
Profit for the period						<u>4,874</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 2010.

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

On 21 January 2011, the Company acquired a controlling 60% interest in the equity shares of TS Solartech Sdn Bhd for a total cash consideration of RM1,800,000. TS Solartech Sdn Bhd will be principally involved in the manufacturing and sales of photovoltaic products such as solar cells, solar panels or solar modules.



NOTES TO THE INTERIM FINANCIAL REPORT

A12. Contingent Liabilities

As at 30 September 2011, the Group has no material contingent liabilities save for a corporate guarantee of RM103,270,728 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 2011 is as follows :-

	RM'000
Contracted but not provided for	<u>54,336</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 RM50.2 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 79.60% towards the current quarter. As compared to corresponding quarter of 30 September 2010, the revenue has increased by RM4.05 million and the Group's gross profit margin has increased from 13.83% to 14.21% as a result of higher turnover.

B2. Variation of Results Against Preceding Quarter

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

	Current Quarter 01/07/11-30/09/11 RM'000	Preceding 01/04/11-30/06/11 RM'000
Profit before tax	2,301	2,702
Total comprehensive income for the period	1,474	1,872

The Group's profit before tax for the current quarter decreased by RM0.4 million from RM2.7 million as recorded in the preceding quarter to RM2.3 million. This was mainly due to higher operating expenses and unrealised forex exchange loss.

B3. Prospects

The Board of Directors expects the performance of the Group for this year to be challenging due to increase in raw material costs. However, the Group will be taking cautious approach to minimise the exposure 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.



NOTES TO THE INTERIM FINANCIAL REPORT

B5. Income Tax Expense

	Current Quarter 30.09.11 RM'000	9 months Cumulative 30.09.11 RM'000
Current tax expense		
- current	647	1,526
- prior years	-	(27)
Deferred tax expense		
Origination and reversal of temporary differences		
- current	180	640
Total tax expense	827	2,139

The Group's effective tax rate for the current period was higher than the statutory tax rate of 25% due to certain expenses which are not deductible for tax purposes.

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

(a) The purchases, disposals and gains or losses of quoted securities for the current quarter and financial period-to-date are as follows:

	Available-for- sales investment RM'000
Total proceeds from disposals	228
Reclassification adjustment to profit or loss	26
Gain on derecognition	19

B8. Status of Corporate Proposal

On 13 June 2011, the Board announced that the Company proposed diversification of the Business of Tek Seng Holdings Berhad and its Subsidiaries into the manufacturing and sales of photovoltaic products and the proposal have been approved by the shareholders in the Extraordinary General Meeting on 28 June 2011.

B9. Group Borrowings

The Group's borrowings as at 30 September 2011 were as follows:-

	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Short term</u>			
Bank overdrafts	4,452	0	4,452
Bankers' acceptance	38,644	0	38,644
Foreign currency trust receipt	7,243	0	7,243
On-shore foreign currency financing	6,336	0	6,336
Term loans	262	0	262
	56,937	0	56,937
<u>Long term</u>			
Term loan	373	0	373
	373	0	373
Total borrowings	57,310	0	57,310
Borrowings denominated in foreign currency:		USD'000	RM'000 Equivalent
Foreign currency trust receipt		2,270	7,243
On-shore foreign currency financing		1,986	6,336
Term loans		199	635



NOTES TO THE INTERIM FINANCIAL REPORT

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. Breakdown of Realised and Unrealised Profits or Losses of the Group

	At end of current quarter 30.09.2011 RM'000	At end of previous financial year 31.12.2010 RM'000
Realised profits	54,777	51,716
Unrealised profits	4,006	5,793
Total retained profits	<u>58,783</u>	<u>57,509</u>

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 30.09.11	Cumulative Months To Date 30.09.11
Net profit attributable to ordinary equity holders of the company (RM'000)	<u>1,474</u>	<u>4,855</u>
Weighted average number of ordinary shares of RM0.25 each in issue ('000)	<u>240,000</u>	<u>240,000</u>
Basic Earnings Per Share based on weighted average number of ordinary shares of RM0.25 each in issue (sen)	<u>0.61</u>	<u>2.02</u>

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 November 2011