



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2011**

	(Unaudited) As At 31.12.11 RM'000	(Audited) As At 31.12.10 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	118,054	105,161
Intangible asset	4	6
Available-for-sales investment	0	221
Deferred tax assets	4,658	5,602
	<u>122,716</u>	<u>110,990</u>
<b>Current assets</b>		
Inventories	23,805	27,540
Trade receivables	30,188	28,386
Other receivables, deposits and prepayments	52,836	403
Tax recoverable	248	71
Cash and cash equivalents	18,486	2,661
	<u>125,563</u>	<u>59,061</u>
<b>TOTAL ASSETS</b>	<u>248,279</u>	<u>170,051</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the company</b>		
Share capital	60,000	60,000
Other reserve	0	19
Retained earnings	61,070	57,509
	<u>121,070</u>	<u>117,528</u>
Non controlling interest	1,127	0
<b>Total equity</b>	<u>122,197</u>	<u>117,528</u>
<b>Non-current liability</b>		
Borrowings	25,937	360
	<u>25,937</u>	<u>360</u>
<b>Current liabilities</b>		
Borrowings	60,549	32,214
Trade payables	9,120	11,593
Other payables	29,896	7,531
Dividend payables	6	785
Current tax payable	574	40
	<u>100,145</u>	<u>52,163</u>
<b>Total liabilities</b>	<u>126,082</u>	<u>52,523</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>248,279</u>	<u>170,051</u>
Net Assets per Share (RM)	0.50	0.49
Net Assets (RM'000)	121,070	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 31 DECEMBER 2011

	3 months ended		12 months ended	
	31.12.11 RM'000	31.12.10 RM'000	31.12.11 RM'000	31.12.10 RM'000
Revenue	44,847	43,089	182,002	168,424
Cost of sales	(37,888)	(37,988)	(156,404)	(147,449)
<b>Gross profit</b>	<u>6,959</u>	<u>5,101</u>	<u>25,598</u>	<u>20,975</u>
Other operating income	18	(104)	54	8
Operating expenses	(3,437)	(2,827)	(13,869)	(11,181)
Finance costs	(551)	(295)	(1,781)	(1,380)
<b>Profit before tax</b>	<u>2,989</u>	<u>1,875</u>	<u>10,002</u>	<u>8,422</u>
Income tax expense	(775)	(328)	(2,914)	(2,400)
<b>PROFIT FOR THE PERIOD / YEAR</b>	<u>2,214</u>	<u>1,547</u>	<u>7,088</u>	<u>6,022</u>
<b>OTHER COMPREHENSIVE INCOME</b>				
Available for sales financial assets				
- Reclassification adjustment for gain included in profit or loss	0	19	(19)	19
<b>Total comprehensive income for the period / year</b>	<u>2,214</u>	<u>1,566</u>	<u>7,069</u>	<u>6,041</u>
<b>Profit for the period / year attributable to:</b>				
- Equity holders of the company	2,287	1,566	7,161	6,041
- Non-controlling interests	<u>(73)</u>	<u>0</u>	<u>(73)</u>	<u>0</u>
<b>Total comprehensive income for the period / year attributable to:</b>	<u>2,287</u>	<u>1,566</u>	<u>7,142</u>	<u>6,041</u>
- Equity holders of the company	2,287	1,566	7,142	6,041
- Non-controlling interests	<u>(73)</u>	<u>0</u>	<u>(73)</u>	<u>0</u>
<b>Earnings per share attributable to equity holders of the company :</b>				
Basic earnings per share (sen)	<u>0.95</u>	<u>0.65</u>	<u>2.97</u>	<u>2.52</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 31 DECEMBER 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	19	6,022	0	6,041
Dividend	0	0	(3,600)	0	(3,600)
At 31 December 2010	60,000	0	57,509	0	117,528
At 1 January 2011	60,000	19	57,509	0	117,528
Total comprehensive income for the period	0	(19)	7,088	0	7,069
Acquisition of a subsidiary company	0	0	0	1,200	1,200
Dividend	0	0	(3,600)	0	(3,600)
At 31 December 2011	60,000	0	60,997	1,200	122,197

(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 31 DECEMBER 2011**

	12 months ended	
	31.12.11	31.12.10
	RM'000	RM'000
<b>Cash flow from operating activities</b>		
Profit before tax	10,002	8,422
Adjustments for :		
Amortisation of intangible asset	2	2
Bad debts written off	0	22
Depreciation and amortisation	13,141	14,359
Interest expense	1,781	1,379
Interest income	21	0
Gain on disposal of property, plant and equipment	(131)	(22)
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	24,795	24,162
Decrease / (Increase) in inventories	3,735	(797)
Increase in trade and other receivables	(54,235)	(1,747)
Increase in trade and other payables	19,892	2,194
Cash generated from operations	(5,813)	23,812
Interest paid	(1,781)	(1,379)
Interest received	(21)	0
Tax paid	(1,613)	(1,681)
<b>Net cash flow from operating activities</b>	<b>(9,228)</b>	<b>20,752</b>
<b>Cash flow from investing activities</b>		
Proceeds from disposal of property, plant and equipment	306	471
Purchase of property, plant and equipment	(26,214)	(3,410)
Proceed from disposal of available-for-sale financial assets	228	0
Acquisition of a subsidiary company	1,200	(202)
<b>Net cash flow from investing activities</b>	<b>(24,480)</b>	<b>(3,141)</b>
<b>Cash flow from financing activities</b>		
Dividends paid	(4,379)	(2,835)
Proceeds from short term bank borrowings	160,957	110,455
Repayment of short term bank borrowings	(137,511)	(118,482)
Proceed from term loans	30,000	0
Repayment of term loans	(2,112)	(5,820)
<b>Net cash flow from financing activities</b>	<b>46,955</b>	<b>(16,682)</b>
<b>Net change in cash and cash equivalents</b>	<b>13,247</b>	<b>929</b>
<b>Cash and cash equivalents at beginning of the financial year</b>	<b>2,437</b>	<b>1,508</b>
<b>Cash and cash equivalents at end of the financial year</b>	<b>15,684</b>	<b>2,437</b>

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

	As at	As at
	31.12.11	31.12.10
	RM'000	RM'000
Cash and cash equivalents	18,486	2,661
Bank overdrafts	(2,802)	(224)
	15,684	2,437

(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, Issues Committee Interpretations ("IC Interpretations") and Technical Release ("TR") :

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations
FRS 127	Consolidated and Separate Financial Statements
IC Interpretation 4	Determining Whether an Arrangement Contains a Lease
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
IC Interpretation 18	Transfers of Assets from Customers
Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters and Additional Exemptions for First-time Adopters
Amendments to FRS 2	Share-based Payment
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 138	Intangible Assets
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives
Amendments to FRSs contained in the document entitled "Improvements to FRSs (2010)"	
TR i-4	Shariah Compliant Sale Contracts

The adoption of the revised FRS 3 and FRS 127, will only have financial impact on future acquisition of the Group and the Company as it will result in changes in accounting for business combinations and the preparation of consolidated financial statements with prospective effect. The main change introduced under the revised FRS 127 is the accounting for changes in ownership interest in a subsidiary, where changes in ownership which do not result in the loss of control are now accounted for within equity instead of the income statement. Where changes in ownership interest result in loss of control, any remaining interest is remeasured at fair value and a gain or loss is recognised in the income statement. Minority interest is now referred to as "non-controlling interest". All total comprehensive income is proportionately allocated to non controlling interest, even if it results in the non-controlling interests having a deficit balance.

Under the revised FRS 3, all acquisition-related costs are recognised as an expense in the income statement in the period in which they are incurred. All considerations transferred, including contingent considerations, are measured at fair value as at the acquisition date. Any equity interests held prior to the date control is obtained is remeasured at fair value, with the resulting gains or losses recognised in the income statement. There is now an option on a case to case basis to measure non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the net identifiable assets of the assets acquired. Goodwill arising from the business combination is measured as the difference between the aggregate fair value of consideration transferred, any non-controlling interests in the acquiree and the fair value at acquisition date of any previously-held equity interest in the acquiree, and the fair value of identifiable assets acquired and liabilities assumed (including contingent liabilities) at acquisition date.

The adoption of the Amendments to FRS 7, which promotes enhanced disclosures on fair value measurement of financial instruments via the introduction of the concept of the fair value hierarchy, will only affect disclosures and will not have any financial impact on the results of the Group and the Company. The adoption of the other FRSs, Amendments to FRSs, IC Interpretations and Technical Release above did not have any material impact on the financial results of the Group and the Company, as they mainly deal with accounting policies affecting transactions which do not form part of the Group's and the Company's normal business operations or transactions where the Group or the Company only has minimal exposure.

The following FRS and IC Interpretations have been issued by the MASB but are not yet effective:

#### 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



## NOTES TO THE INTERIM FINANCIAL REPORT

### A1. Basis of Preparation (Continued)

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

FRS 124	Related Party Disclosures
	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters (Amendments to FRS 1)
	Disclosures - Transfers of Financial Assets (Amendments to FRS 7)
	Deferred tax: Recovery of Underlying Assets (Amendments to FRS 112)

#### Effective for annual periods commencing on or after 1 July 2012:

Presentation of Items of Other Comprehensive Income (Amendments to FRS 101)

#### Effective for annual periods commencing on or after 1 January 2013

FRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009)
FRS 9	Financial Instruments (IFRS 9 issued by IASB in October 2010)
FRS 10	Consolidated Financial Statements
FRS 11	Joint Arrangements
FRS 12	Disclosure of Interests in Other Entities
FRS 13	Fair Value Measurement
FRS 119	Employee Benefits (as amended in November 2011)
FRS 127	Separate Financial Statements (as amended in November 2011)
FRS 128	Investments in Associates and Joint Ventures (as amended in November 2011)
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine

#### Convergence of the FRSs with the International Financial Reporting Standards

On 19 November 2011, the MASB issued the new Malaysian Financial Reporting Standards ("MFRS") framework, consisting of accounting standards which are in line with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). This MFRS framework is effective for annual periods beginning on or after 1 January 2012. As at 31 December 2011, all the FRSs issued under the existing FRS framework are the same as the MFRSs issued under the MFRS framework, except for differences in relation to the transitional provisions as well as differences in effective dates contained in certain of the existing FRSs.

Upon the adoption of the MFRS framework, the financial statements of the Group and the Company will be equivalent to the financial statements prepared by other jurisdictions which adopt IFRSs.

### 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.

### 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 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.



## NOTES TO THE INTERIM FINANCIAL REPORT

### A8. Other Operating income

	Current Quarter 31.12.2011 RM'000	12 months Cumulative 31.12.2011 RM'000
Gain on disposal of quoted investment	0	26
Rental income	2	7
Interest income	16	21
Total other operating income	<u>18</u>	<u>54</u>

### A9. Operating expenses

	Current Quarter 31.12.2011 RM'000	12 months Cumulative 31.12.2011 RM'000
Advertisement	7	80
Depreciation and amortisation	181	725
Foreign exchange (gain) / loss	(90)	705
Rental	1	4
Salaries, allowances and bonus	1,223	4,697
Transportation	1,060	4,436
Water and electricity	18	74
General repairs and maintenance	125	465
Others	912	2,683
Total operating expenses	<u>3,437</u>	<u>13,869</u>

### A10. Finance costs

	Current Quarter 31.12.2011 RM'000	12 months Cumulative 31.12.2011 RM'000
Interest on bank overdraft	25	31
Interest on bankers' acceptance	449	1,645
Interest on term loan	57	84
Others	20	21
Total finance costs	<u>551</u>	<u>1,781</u>



NOTES TO THE INTERIM FINANCIAL REPORT

A11. Segmental Reporting

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

	<u>PVC Sheeting</u> RM'000	<u>PP Non- Woven</u> RM'000	<u>PVC Leather</u> RM'000	<u>Others</u> RM'000	<u>Elimination</u> RM'000	<u>Group</u> RM'000
<b>1 October 2011 to 31 December 2011</b>						
<b>Revenue</b>						
External Revenue	33,817	2,848	2,463	5,719	0	44,847
<b>Results</b>						
Segment results	2,656	224	193	449	0	3,522
Other operating income	14	1	1	2	0	18
Finance costs	(415)	(35)	(30)	(71)	0	(551)
Profit before tax	2,255	190	164	380	0	2,989
Income tax expense	(584)	(49)	(43)	(99)	0	(775)
Profit for the period	1,671	141	121	281	0	2,214

	<u>PVC Sheeting</u> RM'000	<u>PP Non- Woven</u> RM'000	<u>PVC Leather</u> RM'000	<u>Others</u> RM'000	<u>Elimination</u> RM'000	<u>Group</u> RM'000
<b>1 October 2010 to 31 December 2010</b>						
<b>Revenue</b>						
External Revenue	33,300	3,071	2,173	4,545	0	43,089
<b>Results</b>						
Segment results	1,757	162	115	240	0	2,274
Other operating income	(80)	(7)	(5)	(12)	0	(104)
Finance costs	(228)	(21)	(15)	(31)	0	(295)
Profit before tax	1,449	134	95	197	0	1,875
Income tax expense	(253)	(23)	(17)	(35)	0	(328)
Profit for the period	1,196	111	78	162	0	1,547

	<u>PVC Sheeting</u> RM'000	<u>PP Non- Woven</u> RM'000	<u>PVC Leather</u> RM'000	<u>Others</u> RM'000	<u>Elimination</u> RM'000	<u>Group</u> RM'000
<b>1 January 2011 to 31 December 2011</b>						
<b>Revenue</b>						
External Revenue	138,396	9,827	11,177	22,602	0	182,002
<b>Results</b>						
Segment results	8,919	633	720	1,457	0	11,729
Other operating income	41	3	3	7	0	54
Finance costs	(1,354)	(96)	(109)	(222)	0	(1,781)
Profit before tax	7,606	540	614	1,242	0	10,002
Income tax expense	(2,216)	(157)	(179)	(362)	0	(2,914)
Profit for the period	5,390	383	435	880	0	7,088





## NOTES TO THE INTERIM FINANCIAL REPORT

### A11. Segmental Reporting (Continued)

	<u>PVC Sheeting</u> RM'000	<u>PP Non- Woven</u> RM'000	<u>PVC Leather</u> RM'000	<u>Others</u> RM'000	<u>Elimination</u> RM'000	<u>Group</u> RM'000
<b>1 January 2010 to 31 December 2010</b>						
<b>Revenue</b>						
External Revenue	123,300	11,305	13,494	20,325	0	168,424
<b>Results</b>						
Segment results	7,170	657	785	1,182	0	9,794
Other operating income	6	0	1	1	0	8
Finance costs	(1,010)	(92)	(111)	(167)	0	(1,380)
Profit before tax	6,166	565	675	1,016	0	8,422
Income tax expense	(1,757)	(161)	(192)	(290)	0	(2,400)
Profit for the period	4,409	404	483	726	0	6,022

### A12. 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.

### A13. Subsequent Events

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

### A14. 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. On 31 January 2012, the Company acquired an additional 12.2% interest in the equity shares of TS Solartech Sdn Bhd for a total cash consideration of RM2,532,000 after increased share capital of TS Solartech Sdn Bhd from RM3,000,000 to RM6,000,000.

### A15. Contingent Liabilities

As at 31 December 2011, the Group has no material contingent liabilities save for a corporate guarantee of RM133,242,865 issued by the Company in respect of banking facilities granted to the subsidiary companies.

### A16. 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 2011 is as follows :-

Contracted but not provided for	<b>RM'000</b>
	<u>38,063</u>



## NOTES TO THE INTERIM FINANCIAL REPORT

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

#### B1. Review of Performance

##### a) Current Year-to date vs. Previous Year-to-date

For the financial year ended 31 December 2011, the Group recorded a revenue of RM182 million while profit before tax was recorded at RM10 million. As compared to corresponding period of 31 December 2010, the revenue has increased by RM13.6 million and the Group's profit before tax has increased by RM1.58 million as a result of higher turnover.

Performance of the respective operating business segments for the year ended 31 December 2011 as compared to the previous year is analysed as follows:-

- 1) Sheeting - The increase in profit before tax by RM1.44 million to RM7.6 million was mainly due to the higher demand from export market of PVC Flooring and PVC Sheet. This was partially offset by higher operating expenses on higher turnover.
- 2) PP Non Woven - The decrease in profit before tax by RM25,000 to RM540,000 was mainly due to increase of purchase costs.
- 3) PVC Leather - The decrease in profit before tax by RM61,000 to RM614,000 was mainly due to increase of purchase costs.
- 4) Others - The increase in profit before tax by RM226,000 to RM1.24 million was mainly due to higher demand from local and export market of PVC Sponge and partially offset by higher operating expenses.

##### b) Current Quarter vs. Previous Year Corresponding Quarter

For the current quarter, the Group recorded a revenue of RM44.9 million while profit before tax was recorded at RM2.99 million. The major contributor of the Group's revenue was PVC sheeting, which contributed approximately 75.41% towards the current quarter. As compared to corresponding quarter of 31 December 2010, the revenue has increased by RM1.76 million and the Group's profit before tax has increased by RM1.1 million as a result of higher turnover and lower costs of raw materials.

Performance of the respective operating business segments for the current quarter ended 31 December 2011 as compared to the previous corresponding quarter is analysed as follows:-

- 1) Sheeting - The increase in profit before tax by RM0.8 million to RM2.26 million was mainly due to the demand from export market of PVC Flooring and PVC Sheet and lower costs of raw materials. This was partially offset by higher operating expenses on higher turnover volume .
- 2) PP Non Woven - The increase in profit before tax by RM56,000 to RM190,000 was mainly due to increase of selling price of non woven products.
- 3) PVC Leather - The increase in profit before tax by RM69,000 to RM164,000 was mainly due to increase of selling price of PVC leather products
- 4) Others - The increase in profit before tax by RM183,000 to RM380,000 was mainly due to higher demand from local and export market of PVC Sponge, lower costs of raw materials and partially offset by higher operating expenses .

#### 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>01/10/11-31/12/11</b> <b>RM'000</b>	<b>Preceding Quarter</b> <b>01/07/11-30/09/11</b> <b>RM'000</b>
Profit before tax	2,989	2,301
Total comprehensive income for the period	2,214	1,474

The Group's profit before tax for the current quarter increased by RM0.69 million from RM2.3 million as recorded in the preceding quarter to RM2.99 million. This was mainly due to lower operating expenses and unrealised forex exchange gain.

#### B3. Prospects

The Board of Directors foresee the performance of the Group for 2012 to be challenging due to uncertainty in the price of raw materials resulting from the impact of the world economy crisis. However, the Group will be taking cautious approach to mitigate the exposure by improving its operational efficiency and product quality as well as enhancement of its product range. The Group will also look into exploring new market share in the region.



## NOTES TO THE INTERIM FINANCIAL REPORT

### B4. Variance of Actual and Forecast Revenue

Not applicable.

### B5. Income Tax Expense

	Current Quarter 31.12.11 RM'000	12 months Cumulative 31.12.11 RM'000
<b>Current tax expense</b>		
- current	471	1,997
- prior years	-	(27)
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences		
- current	304	944
Total tax expense	<u>775</u>	<u>2,914</u>

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.



NOTES TO THE INTERIM FINANCIAL REPORT

**B9. Group Borrowings**

The Group's borrowings as at 31 December 2011 were as follows:-

	Secured RM'000	Unsecured RM'000	Total RM'000
<b>Short term</b>			
Bank overdrafts	2,802	0	2,802
Bankers' acceptance	44,483	0	44,483
Foreign currency trust receipt	3,604	0	3,604
On-shore foreign currency financing	5,192	0	5,192
Term loans	4,468	0	4,468
	<u>60,549</u>	<u>0</u>	<u>60,549</u>
<b>Long term</b>			
Term loan	25,937	0	25,937
	<u>25,937</u>	<u>0</u>	<u>25,937</u>
<b>Total borrowings</b>	<u>86,486</u>	<u>0</u>	<u>86,486</u>
Borrowings denominated in foreign currency:			
	USD'000		RM'000 Equivalent
Foreign currency trust receipt	1,134		3,604
On-shore foreign currency financing	1,634		5,192
Term loan	110		351
	<u>110</u>		<u>351</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).

**B12. Proposed Dividend**

A final dividend of 2 sen per ordinary share less tax for the financial year ended 31 December 2011 will be proposed for shareholders' approval at the forthcoming Annual General Meeting.

**B13. Breakdown of Realised and Unrealised Profits or Losses of the Group**

	At end of current quarter 31.12.2011 RM'000	At end of previous financial year 31.12.2010 RM'000
Realised profits	56,417	51,716
Unrealised profits	4,653	5,793
Total retained profits	<u>61,070</u>	<u>57,509</u>



## NOTES TO THE INTERIM FINANCIAL REPORT

### B14. 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 31.12.11</b>	<b>Cumulative Months To Date 31.12.11</b>
Net profit attributable to ordinary equity holders of the company (RM'000)	2,287	7,142
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)	0.95	2.97

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

### B15. Reviews By External Auditors

The Board had engaged the external auditors to review and report on the condensed consolidated financial statements of Tek Seng Holdings Bhd for each the four quarters ended 31 March 2011, 30 June 2011, 30 September 2011 and 31 December 2011 during the financial year, in accordance with International Standard on Review Engagements 2410 (ISRE2410), "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

The external auditors reported to the Board that nothing has come to their attention that causes them to believe that the said condensed consolidated financial statements were not prepared, in all material respects, in accordance with FRS134:Interim Financial Reporting. The reports were made to the Board in accordance to the terms of reference with the external auditors and for no other purpose.

**By order of the Board**

**TEK SENG HOLDINGS BERHAD**

**LOH KOK BENG  
EXECUTIVE CHAIRMAN**

**Dated : 24 February 2012**