



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2012

	(Unaudited)	(Audited)	(Audited)
	As At	As At	As At
	30.09.12	31.12.11	01.01.11
	RM'000	RM'000	RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	195,364	118,054	105,161
Intangible asset	3	4	6
Available-for-sales investment	0	0	221
Deferred tax assets	3,581	4,658	5,602
	<u>198,948</u>	<u>122,716</u>	<u>110,990</u>
<b>Current assets</b>			
Inventories	22,011	23,805	27,540
Trade receivables	28,304	30,222	28,386
Other receivables, deposits and prepayments	533	52,818	403
Tax recoverable	135	248	71
Cash and cash equivalents	2,304	18,486	2,661
	<u>53,287</u>	<u>125,579</u>	<u>59,061</u>
<b>TOTAL ASSETS</b>	<u>252,235</u>	<u>248,295</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	60,000
Other reserve	0	0	19
Retained earnings	64,075	61,068	57,509
	<u>124,075</u>	<u>121,068</u>	<u>117,528</u>
Non controlling interest	581	1,126	0
<b>Total equity</b>	<u>124,656</u>	<u>122,194</u>	<u>117,528</u>
<b>Non-current liability</b>			
Borrowings	25,937	25,937	360
	<u>25,937</u>	<u>25,937</u>	<u>360</u>
<b>Current liabilities</b>			
Borrowings	63,378	60,549	32,214
Trade payables	8,275	9,136	11,593
Other payables	29,054	29,896	7,531
Dividend payables	1	6	785
Current tax payable	934	577	40
	<u>101,642</u>	<u>100,164</u>	<u>52,163</u>
<b>Total liabilities</b>	<u>127,579</u>	<u>126,101</u>	<u>52,523</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>252,235</u>	<u>248,295</u>	<u>170,051</u>
Net Assets per Share (RM)	0.52	0.50	0.49
Net Assets (RM'000)	124,075	121,068	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 2011)



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE THREE-MONTHS PERIOD ENDED 30 SEPTEMBER 2012**

	3 months ended		9 months ended	
	30.09.12	30.09.11	30.09.12	30.09.11
	RM'000	RM'000	RM'000	RM'000
Revenue	49,520	50,212	145,630	137,155
Cost of sales	(43,978)	(43,076)	(125,017)	(118,516)
<b>Gross profit</b>	<u>5,542</u>	<u>7,136</u>	<u>20,613</u>	<u>18,639</u>
Other operating income	39	3	70	36
Operating expenses	(2,817)	(4,382)	(9,321)	(10,432)
Finance costs	(862)	(456)	(2,530)	(1,230)
<b>Profit before tax</b>	<u>1,902</u>	<u>2,301</u>	<u>8,832</u>	<u>7,013</u>
Income tax expense	(1,289)	(827)	(3,238)	(2,139)
<b>PROFIT FOR THE PERIOD</b>	<u>613</u>	<u>1,474</u>	<u>5,594</u>	<u>4,874</u>
<b>OTHER COMPREHENSIVE INCOME</b>				
Available for sale financial assets				
- Reclassification adjustment for gain included in profit or loss	0	0	0	(19)
<b>Total comprehensive income for the period</b>	<u>613</u>	<u>1,474</u>	<u>5,594</u>	<u>4,855</u>
<b>Profit for the period attributable to:</b>				
- Equity holders of the company	1,485	1,474	6,607	4,874
- Non-controlling interests	(872)	0	(1,013)	0
<b>Total comprehensive income for the period attributable to:</b>	<u>1,485</u>	<u>1,474</u>	<u>6,607</u>	<u>4,855</u>
- Equity holders of the company	1,485	1,474	6,607	4,855
- Non-controlling interests	(872)	0	(1,013)	0
<b>Earnings per share attributable to equity holders of the company :</b>				
Basic earnings per share (sen)	<u>0.62</u>	<u>0.61</u>	<u>2.76</u>	<u>2.02</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 2011)



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 SEPTEMBER 2012

	Attributable to Equity Holders of the Company			Non Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Other Reserve RM'000	Distributable Retained Earnings RM'000		
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
Ordinary shares contributed by non-controlling interests 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
At 1 January 2012	60,000	0	61,068	1,126	122,194
Total comprehensive income for the period	0	0	6,607	(1,013)	5,594
Ordinary shares contributed by non-controlling interests of a subsidiary company	0	0	0	468	468
Dividend	0	0	(3,600)	0	(3,600)
At 30 September 2012	60,000	0	64,075	581	124,656

(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 2011)



**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 SEPTEMBER 2012**

	9 months ended	
	30.09.12 RM'000	30.09.11 RM'000
<b>Cash flow from operating activities</b>		
Profit before tax	8,832	7,013
Adjustments for :		
Amortisation of intangible asset	1	2
Bad debts written off	18	0
Depreciation and amortisation	11,632	9,865
Interest expense	2,529	1,230
Interest income	28	5
Unrealised gain / (loss) on foreign exchange	908	(956)
Gain on disposal of property, plant and equipment	(37)	(131)
Gain on disposal of available-for-sale financial assets	0	(26)
Property, plant and equipment written off	0	5
Operating profit before working capital changes	<u>23,911</u>	<u>17,007</u>
Decrease in inventories	1,794	2,168
Decrease / (Increase) in trade and other receivables	1,466	(55,771)
(Decrease) / Increase in trade and other payables	(2,292)	17,004
Cash generated from operations	<u>24,879</u>	<u>(19,592)</u>
Interest paid	(2,529)	(1,230)
Interest received	(28)	(5)
Tax paid	(1,691)	(1,113)
<b>Net cash flow from operating activities</b>	<u>20,631</u>	<u>(21,940)</u>
<b>Cash flow from investing activities</b>		
Proceeds from disposal of property, plant and equipment	62	306
Purchase of property, plant and equipment	(36,307)	(2,167)
Proceed from disposal of available-for-sale financial assets	0	228
Ordinary share capital contributed by non-controlling interests of a subsidiary company	468	1,200
<b>Net cash flow from investing activities</b>	<u>(35,777)</u>	<u>(433)</u>
<b>Cash flow from financing activities</b>		
Dividends paid	(3,605)	(4,379)
Proceeds from short term bank borrowings	131,816	116,541
Repayment of short term bank borrowings	(129,244)	(93,338)
Repayment of term loans	(3,073)	(1,844)
<b>Net cash flow from financing activities</b>	<u>(4,106)</u>	<u>16,980</u>
<b>Net change in cash and cash equivalents</b>	(19,252)	(5,393)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	47	(35)
<b>Cash and cash equivalents at beginning of the financial period</b>	<u>15,684</u>	<u>2,437</u>
<b>Cash and cash equivalents at end of the financial period</b>	<u>(3,521)</u>	<u>(2,991)</u>

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

	As at	As at
	30.09.12 RM'000	30.09.11 RM'000
Cash and cash equivalents	2,304	1,461
Bank overdrafts	(5,825)	(4,452)
	<u>(3,521)</u>	<u>(2,991)</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 2011)



## NOTES TO THE INTERIM FINANCIAL REPORT

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

#### A1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with the reporting requirements as set out in Malaysian Financial Reporting Standards ('MFRS') No. 134: Interim Financial Reporting and paragraph 9.22 of the Main Reporting Standards Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia") and should be read in conjunction with the Company's audited financial statements for the year ended 31 December 2011.

These are the Group's condensed consolidated interim financial statements for part of the period covered by the Group's first MFRS framework annual financial statements and MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards has been applied. The transition to MFRS framework does not have any financial impact to the financial statements of the Group.

At the date of authorisation of these interim financial statements, the following MFRSs, Amendments to MFRSs and IC Interpretation were issued but not yet effective and have not been applied by the Group :

MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009)
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in October 2010)
MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 13	Fair Value Measurement
MFRS 119	Employee Benefits (as amended in June 2011)
MFRS 127	Separate Financial Statements (as amended by IASB in May 2011)
MFRS 128	Investments in Associates and Joint Ventures (as amended by IASB in May 2011)
MFRS 132	Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 1	Government Loans
Amendments to MFRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 101	Presentation of Items of Other Comprehensive income
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine

#### A2. Auditors' Report

The auditors' report on the financial statements for the financial year ended 31 December 2011 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 first and final dividend of 2 sen per ordinary share less 25% of income tax in respect of the financial year ended 31 December 2011 was paid on 5 September 2012.



NOTES TO THE INTERIM FINANCIAL REPORT

A8. Other Operating income

	Current Quarter 30.09.2012 RM'000	9 months Cumulative 30.09.2012 RM'000
Rental income	1	5
Interest income	1	28
Gain on disposal of property and equipment	37	37
Total other operating income	<u>39</u>	<u>70</u>

A9. Operating expenses

	Current Quarter 30.09.2012 RM'000	9 months Cumulative 30.09.2012 RM'000
Advertisement	7	37
Depreciation and amortisation	166	514
Foreign exchange (gain) / loss	(533)	(1,099)
Rental	4	12
Salaries, allowances and bonus	1,268	3,646
Transportation	1,201	4,009
Water and electricity	19	57
General repairs and maintenance	179	464
Others	506	1,681
Total operating expenses	<u>2,817</u>	<u>9,321</u>

A10. Finance costs

	Current Quarter 30.09.2012 RM'000	9 months Cumulative 30.09.2012 RM'000
Interest on bank overdraft	5	20
Interest on bankers' acceptance	464	1,309
Interest on term loan	387	1,189
Others	6	12
Total finance costs	<u>862</u>	<u>2,530</u>



NOTES TO THE INTERIM FINANCIAL REPORT

A11. 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>Group</u> RM'000
<b>1 July 2012 to</b>					
<b>30 September 2012</b>					
<b>Revenue</b>					
External Revenue	44,389	3,683	2,306	8,209	58,587
Inter segment elimination	(7,785)	(869)	(1)	(412)	(9,067)
	36,604	2,814	2,305	7,797	49,520
<b>Results</b>					
Segment results	2,014	155	127	429	2,725
Other operating income	29	2	2	6	39
Finance costs	(637)	(49)	(40)	(136)	(862)
Profit before tax	1,406	108	89	299	1,902
Income tax expense	(953)	(73)	(60)	(203)	(1,289)
Profit for the period	453	35	29	96	613

	<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>Group</u> RM'000
<b>1 July 2011 to</b>					
<b>30 September 2011</b>					
<b>Revenue</b>					
External Revenue	48,740	3,105	2,298	6,411	60,554
Inter segment elimination	(8,769)	(788)	0	(785)	(10,342)
	39,971	2,317	2,298	5,626	50,212
<b>Results</b>					
Segment results	2,192	127	126	309	2,754
Other operating income	2	0	0	1	3
Finance costs	(363)	(21)	(21)	(51)	(456)
Profit before tax	1,831	106	105	259	2,301
Income tax expense	(658)	(38)	(38)	(93)	(827)
Profit for the period	1,173	68	67	166	1,474

	<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>Group</u> RM'000
<b>1 January 2012 to</b>					
<b>30 September 2012</b>					
<b>Revenue</b>					
External Revenue	130,850	10,494	7,747	24,325	173,416
Inter segment elimination	(23,524)	(2,809)	(8)	(1,445)	(27,786)
	107,326	7,685	7,739	22,880	145,630
<b>Results</b>					
Segment results	8,322	596	600	1,774	11,292
Other operating income	51	4	4	11	70
Finance costs	(1,865)	(134)	(134)	(397)	(2,530)
Profit before tax	6,508	466	470	1,388	8,832
Income tax expense	(2,386)	(171)	(172)	(509)	(3,238)
Profit for the period	4,122	295	298	879	5,594



## NOTES TO THE INTERIM FINANCIAL REPORT

### A11. Segmental Reporting (Continued)

	<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>Group</u> RM'000
<b>1 January 2011 to</b>					
<b>30 September 2011</b>					
<b>Revenue</b>					
External Revenue	126,657	9,182	8,717	18,250	162,806
Inter segment elimination	(22,079)	(2,203)	(3)	(1,366)	(25,651)
	<u>104,578</u>	<u>6,979</u>	<u>8,714</u>	<u>16,884</u>	<u>137,155</u>
<b>Results</b>					
Segment results	6,258	418	521	1,010	8,207
Other operating income	27	2	2	5	36
Finance costs	(938)	(63)	(78)	(151)	(1,230)
Profit before tax	<u>5,347</u>	<u>357</u>	<u>445</u>	<u>864</u>	<u>7,013</u>
Income tax expense	(1,631)	(109)	(136)	(263)	(2,139)
Profit for the period	<u>3,716</u>	<u>248</u>	<u>309</u>	<u>601</u>	<u>4,874</u>

### 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 2011.

### 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 31 January 2012, the Company subscribed for an additional 12.2% interest in the equity shares of TS Solartech Sdn Bhd for a total cash consideration of RM2,532,000 when the share capital of TS Solartech Sdn Bhd was increased from RM3,000,000 to RM6,000,000. On 01 September 2012, the Company subscribed for an additional 13.90% interest in the equity shares of TS Solartech Sdn Bhd for a total cash consideration of RM6,000,000 when the share capital of TS Solartech Sdn Bhd was increased from RM6,000,000 to RM12,000,000.

### A15. Contingent Liabilities

As at 30 September 2012, the Group has no material contingent liabilities save for a corporate guarantee of RM140,257,100 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 30 September 2012 is as follows :-

	<b>RM'000</b>
Contracted but not provided for	<u>13,087</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 period ended 30 September 2012, the Group recorded a revenue of RM145.6 million while profit before tax was recorded at RM8.8 million. As compared to corresponding period of 30 September 2011, the revenue has increased by RM8.5 million and the Group's profit before tax has increased by RM1.8 million as a result of higher turnover.

Performance of the respective operating business segments for the period ended 30 September 2012 as compared to the previous year is analysed as follows:-

- 1) Sheeting - The increase in profit before tax by RM1.16 million to RM6.5 million was mainly due to the higher demand of PVC Flooring and PVC Sheet. This was partially offset by higher operating expenses on higher turnover.
- 2) PP Non Woven - The increase in profit before tax by RM109,000 to RM466,000 was mainly due to decrease of raw materials costs of non woven products.
- 3) PVC Leather - The increase in profit before tax by RM25,000 to RM470,000 was mainly due to increase of selling price of PVC leather products.
- 4) Others - The increase in profit before tax by RM524,000 to RM1.39 million was mainly due to higher demand 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 RM49.5 million while profit before tax was recorded at RM1.9 million. The major contributor of the Group's revenue was PVC sheeting, which contributed approximately 73.92% towards the current quarter. As compared to corresponding quarter of 30 September 2011, the revenue has decreased by RM0.7 million and the Group's profit before tax has decreased by RM0.4 million as a result of lower turnover and higher production overhead.

Performance of the respective operating business segments for the current quarter ended 30 September 2012 as compared to the previous corresponding quarter is analysed as follows:-

- 1) Sheeting - The decrease in profit before tax by RM0.43 million to RM1.4 million was mainly due to higher costs of raw materials and production overhead.
- 2) PP Non Woven - The increase in profit before tax by RM2,000 to RM108,000 was mainly due to decrease of operating expenses.
- 3) PVC Leather - The decrease in profit before tax by RM16,000 to RM89,000 was mainly due to increase of purchase costs.
- 4) Others - The increase in profit before tax by RM40,000 to RM299,000 was mainly due to higher demand from 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>01/07/12-30/09/12</b> <b>RM'000</b>	<b>Preceding Quarter</b> <b>01/04/12-30/06/12</b> <b>RM'000</b>
Profit before tax	1,902	3,257
Total comprehensive income for the period	613	2,086

The Group's profit before tax for the current quarter decreased by RM1.35 million from RM3.26 million as recorded in the preceding quarter to RM1.9 million. This was mainly due to loss attributable to owner from the new subsidiary which was no revenue and higher operating expenses .

#### 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 30.09.12 RM'000	9 months Cumulative 30.09.12 RM'000
<b>Current tax expense</b>		
- current	725	2,157
- prior years	3	3
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences		
- current	561	1,078
Total tax expense	1,289	3,238

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. Status of Corporate Proposal**

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

**B8. Group Borrowings**

The Group's borrowings as at 30 September 2012 were as follows:-

	Secured RM'000	Unsecured RM'000	Total RM'000
<b><u>Short term</u></b>			
Bank overdrafts	5,825	0	5,825
Bankers' acceptance	45,616	0	45,616
Foreign currency trust receipt	1,522	0	1,522
On-shore foreign currency financing	599	0	599
On-shore foreign currency loan	7,348	0	7,348
Revolving credit	1,073	0	1,073
Term loans	1,395	0	1,395
	63,378	0	63,378
<b><u>Long term</u></b>			
Term loan	25,937	0	25,937
	25,937	0	25,937
<b>Total borrowings</b>	89,315	0	89,315

Borrowings denominated in foreign currency:

	USD'000	RM'000 Equivalent
Foreign currency trust receipt	496	1,522
On-shore foreign currency financing	196	599
On-shore foreign currency loan	2,396	7,348
Revolving credit	350	1,073
Term loan	7	21
	7	21

**B9. 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).



## NOTES TO THE INTERIM FINANCIAL REPORT

### B10. 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).

### B11. Breakdown of Realised and Unrealised Profits or Losses of the Group

	At end of current quarter 30.09.2012 RM'000	At end of previous financial year 31.12.2011 RM'000
Total retained profits of Tek Seng Holdings Berhad and its subsidiaries :		
- Realised profits	87,584	83,480
- Unrealised profits	2,673	4,783
	<u>90,257</u>	<u>88,263</u>
Less : Consolidation adjustments	(26,182)	(27,195)
Total Group retained profits as per consolidated accounts	<u>64,075</u>	<u>61,068</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 30.09.12	Cumulative Months To Date 30.09.12
Net profit attributable to ordinary equity holders of the company (RM'000)	1,485	6,607
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)	<u>0.62</u>	<u>2.76</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.

### B14. 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 the quarter and nine months ended 30 September 2012 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 MFRS134 : Interim Financial Reporting in Malaysia. The report was 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 : 23 November 2012