



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2013

	(Unaudited)	(Audited)
	As At	As At
	31.03.13	31.12.12
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	191,682	194,456
Intangible asset	3	3
Deferred tax assets	2,353	2,966
	<u>194,038</u>	<u>197,425</u>
Current assets		
Inventories	26,708	23,942
Trade receivables	23,288	27,707
Other receivables, deposits and prepayments	583	208
Tax recoverable	20	41
Cash and cash equivalents	1,315	3,282
	<u>51,914</u>	<u>55,180</u>
TOTAL ASSETS	<u>245,952</u>	<u>252,605</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the company		
Share capital	60,000	60,000
Retained earnings	63,029	63,659
	<u>123,029</u>	<u>123,659</u>
Non controlling interest	9,439	8,919
Total equity	<u>132,468</u>	<u>132,578</u>
Non-current liability		
Borrowings	22,187	22,187
	<u>22,187</u>	<u>22,187</u>
Current liabilities		
Borrowings	57,801	54,717
Trade payables	11,771	11,428
Other payables	19,049	31,008
Government grant received	1,983	0
Dividend payables	1	1
Current tax payable	692	686
	<u>91,297</u>	<u>97,840</u>
Total liabilities	<u>113,484</u>	<u>120,027</u>
TOTAL EQUITY AND LIABILITIES	<u>245,952</u>	<u>252,605</u>
Net Assets per Share (RM)	0.51	0.52
Net Assets (RM'000)	123,029	123,659

(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 2012)



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2013**

	3 months ended		3 months ended	
	31.03.13	31.03.12	31.03.13	31.03.12
	RM'000	RM'000	RM'000	RM'000
Revenue	43,872	43,913	43,872	43,913
Cost of sales	(38,261)	(37,137)	(38,261)	(37,137)
Gross profit	<u>5,611</u>	<u>6,776</u>	<u>5,611</u>	<u>6,776</u>
Other operating income	28	29	28	29
Operating expenses	(3,741)	(2,365)	(3,741)	(2,365)
Finance costs	(763)	(767)	(763)	(767)
Profit before tax	<u>1,135</u>	<u>3,673</u>	<u>1,135</u>	<u>3,673</u>
Income tax expense	(1,245)	(778)	(1,245)	(778)
PROFIT/ (LOSS) FOR THE PERIOD	<u>(110)</u>	<u>2,895</u>	<u>(110)</u>	<u>2,895</u>
OTHER COMPREHENSIVE INCOME				
Available for sale financial assets				
- Reclassification adjustment for gain included in profit or loss	0	0	0	0
Total comprehensive (loss) / income for the period	<u>(110)</u>	<u>2,895</u>	<u>(110)</u>	<u>2,895</u>
Profit for the period attributable to:				
- Equity holders of the company	385	2,821	385	2,821
- Non-controlling interests	(495)	74	(495)	74
Total comprehensive income for the period attributable to:				
- Equity holders of the company	385	2,821	385	2,821
- Non-controlling interests	(495)	74	(495)	74
Earnings per share attributable to equity holders of the company :				
Basic earnings per share (sen)	<u>0.16</u>	<u>1.18</u>	<u>0.16</u>	<u>1.18</u>
Diluted earnings per share (sen)	<u>0.16</u>	<u>1.18</u>	<u>0.16</u>	<u>1.18</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 2012)



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2013**

	Attributable to Equity Holders of the Company					Non Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Preference Share RM'000	Share Premium RM'000	Non-Distributable Other Reserve RM'000	Distributable Retained Earnings RM'000		
At 1 January 2012	60,000	0	0	0	61,068	1,126	122,194
Total comprehensive income for the period	0	0	0	0	2,821	74	2,895
Ordinary shares contributed by non-controlling interests of a subsidiary company	0	0	0	0	0	468	468
At 31 March 2012	60,000	0	0	0	63,889	1,668	125,557
At 1 January 2013	60,000	8	8,332	0	64,139	99	132,578
Total comprehensive income for the period	0	0	0	0	385	(495)	(110)
At 31 March 2013	60,000	8	8,332	0	64,524	(396)	132,468

(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 2012)



**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2013**

	3 months ended	
	31.03.13	31.03.12
	RM'000	RM'000
Cash flow from operating activities		
Profit before tax	1,135	3,673
Adjustments for :		
Depreciation and amortisation	4,792	3,284
Interest expense	763	767
Interest income	1	27
Unrealised gain on foreign exchange	(136)	(458)
Gain on disposal of property, plant and equipment	(10)	0
Amortisation of government grant received	(17)	0
Operating profit before working capital changes	<u>6,528</u>	<u>7,293</u>
Decrease / (Increase) in inventories	(2,766)	284
Decrease in trade and other receivables	4,065	59,013
(Decrease) / Increase in trade and other payables	<u>(11,615)</u>	<u>7,960</u>
Cash generated from operations	(3,788)	74,550
Interest paid	(763)	(767)
Interest received	(1)	(27)
Tax paid	(605)	(422)
Net cash flow from operating activities	<u>(5,157)</u>	<u>73,334</u>
Cash flow from investing activities		
Proceeds from disposal of property, plant and equipment	10	0
Purchase of property, plant and equipment	(2,018)	(84,627)
Ordinary share capital contributed by non-controlling interests of a subsidiary company	<u>0</u>	<u>468</u>
Net cash flow from investing activities	<u>(2,008)</u>	<u>(84,159)</u>
Cash flow from financing activities		
Dividends paid	0	(5)
Proceeds from short term bank borrowings	39,069	38,597
Repayment of short term bank borrowings	(40,006)	(47,240)
Repayment of term loans	(942)	(972)
Proceeds from government grant	<u>2,000</u>	<u>0</u>
Net cash flow from financing activities	<u>121</u>	<u>(9,620)</u>
Net change in cash and cash equivalents	(7,044)	(20,445)
Effect of exchange rate changes on cash and cash equivalents	(12)	(3)
Cash and cash equivalents at beginning of the financial period	<u>(4,745)</u>	<u>15,684</u>
Cash and cash equivalents at end of the financial period	<u>(11,801)</u>	<u>(4,764)</u>

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

	As at	As at
	31.03.13	31.03.12
	RM'000	RM'000
Cash and cash equivalents	1,315	1,720
Bank overdrafts	<u>(6,208)</u>	<u>(6,484)</u>
	<u>(4,893)</u>	<u>(4,764)</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 2012)



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 2012.

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
MFRS 10	Investment Entities
MFRS 12	Investment Entities
MFRS 132	Offsetting Financial Assets and Financial Liabilities

A2. Auditors' Report

The auditors' report on the financial statements for the financial year ended 31 December 2012 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

There was no dividend paid during the current quarter.

A8. Other Operating income

	Current Quarter 31.03.2013 RM'000	3 months Cumulative 31.03.2013 RM'000
Interest income	1	1
Gain on disposal of property and equipment	10	10
Amortisation of government grant received	17	17
Total other operating income	<u>28</u>	<u>28</u>



NOTES TO THE INTERIM FINANCIAL REPORT

A9. Operating expenses

	Current Quarter 31.03.2013 RM'000	3 months Cumulative 31.03.2013 RM'000
Advertisement	8	8
Depreciation and amortisation	172	172
Foreign exchange (gain) / loss	144	144
Rental	4	4
Salaries, allowances and bonus	1,268	1,268
Transportation	889	889
Water and electricity	18	18
General repairs and maintenance	149	149
Others	1,089	1,089
Total operating expenses	3,741	3,741

A10. Finance costs

	Current Quarter 31.03.2013 RM'000	3 months Cumulative 31.03.2013 RM'000
Interest on bank overdraft	7	7
Interest on bankers' acceptance	388	388
Interest on term loan	353	353
Interest on revolving credit	11	11
Others	4	4
Total finance costs	763	763

A11. Segmental Reporting

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

	PVC <u>Sheeting</u> RM'000	PP Non- <u>Woven</u> RM'000	PVC <u>Leather</u> RM'000	Others RM'000	Solar Cell RM'000	Group RM'000
1 January 2013 to 31 March 2013						
Revenue						
External Revenue	36,858	3,173	2,115	9,336	1	51,483
Inter segment elimination	(6,258)	(770)	(1)	(582)	0	(7,611)
	30,600	2,403	2,114	8,754	1	43,872
Results						
Segment results	3,799	298	263	1,087	(3,577)	1,870
Other operating income	7	1	0	2	18	28
Finance costs	(532)	(42)	(37)	(152)	0	(763)
Profit before tax	3,274	257	226	937	(3,559)	1,135
Income tax expense	(869)	(68)	(60)	(248)	0	(1,245)
Profit for the period	2,405	189	166	689	(3,559)	(110)

	PVC <u>Sheeting</u> RM'000	PP Non- <u>Woven</u> RM'000	PVC <u>Leather</u> RM'000	Others RM'000	Solar Cell RM'000	Group RM'000
1 January 2012 to 31 March 2012						
Revenue						
External Revenue	37,765	3,521	2,468	7,114	0	50,868
Inter segment elimination	(5,650)	(991)	(6)	(308)	0	(6,955)
	32,115	2,530	2,462	6,806	0	43,913
Results						
Segment results	3,226	254	247	684	0	4,411
Other operating income	21	2	2	4	0	29
Finance costs	(561)	(44)	(43)	(119)	0	(767)
Profit before tax	2,686	212	206	569	0	3,673
Income tax expense	(569)	(45)	(44)	(120)	0	(778)
Profit for the period	2,117	167	162	449	0	2,895



NOTES TO THE INTERIM FINANCIAL REPORT

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 2012.

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

There were no changes in the composition of the Group for the current year to date.

A15. Contingent Liabilities

As at 31 March 2013, the Group has no material contingent liabilities save for a corporate guarantee of RM140,354,975 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 March 2013 is as follows :-

	RM'000
Contracted but not provided for	<u>1,902</u>

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

B1. Review of Performance

Current Quarter vs. Previous Year Corresponding Quarter

For the current quarter, the Group recorded a revenue of RM43.9 million while profit before tax was recorded at RM1.1 million. The major contributor of the Group's revenue was PVC sheeting, which contributed approximately 69.75% towards the current quarter. As compared to corresponding quarter of 31 March 2012, the revenue has slightly decreased by RM41k and the Group's profit before tax has decreased by RM2.5 million as a result of lower turnover and higher production overhead.

Performance of the respective operating business segments for the current quarter ended 31 March 2013 as compared to the previous corresponding quarter is analysed as follows:-

- 1) Sheeting - The increase in profit before tax by RM0.59 million to RM3.27 million was mainly due to lower purchase costs of raw materials.
- 2) PP Non Woven - The increase in profit before tax by RM45,000 to RM257,000 was mainly due to lower purchase costs of raw materials.
- 3) PVC Leather - The increase in profit before tax by RM20,000 to RM226,000 was mainly due to decrease of purchase costs.
- 4) Others - The increase in profit before tax by RM368,000 to RM937,000 was mainly due to higher demand from export market of PVC Sponge.
- 5) Solar Cell - The loss before tax RM3.56 million was mainly due to high operating expenses.

B2. Variation of Results Against Preceding Quarter

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

	Current Quarter 01/01/13-31/03/13 RM'000	Preceding Quarter 01/10/12-31/12/12 RM'000
Profit before tax	1,135	796
Total comprehensive income for the period	(110)	(418)

The Group's profit before tax for the current quarter increased by RM0.3 million from RM0.8 million as recorded in the preceding quarter to RM1.14 million. This was mainly due to lower purchase costs of raw materials .



NOTES TO THE INTERIM FINANCIAL REPORT

B3. Prospects

The Board of Directors foresee the performance of the Group for 2013 to remain stable for its PVC business although it may be affected by fluctuation in the price of raw materials and the solar cell segment will begin to contribute positively to the Group. 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.

B4. Variance of Actual and Forecast Revenue

Not applicable.

B5. Income Tax Expense

	Current Quarter 31.03.13 RM'000	3 months Cumulative 31.03.13 RM'000
Current tax expense		
- current	632	632
Deferred tax expense		
Origination and reversal of temporary differences		
- current	613	613
Total tax expense	1,245	1,245

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 31 March 2013 were as follows:-

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term			
Bank overdrafts	6,208	0	6,208
Bankers' acceptance	38,047	0	38,047
On-shore foreign currency financing	2,154	0	2,154
On-shore foreign currency loan	7,066	0	7,066
Revolving credit	1,081	0	1,081
Term loans	3,245	0	3,245
	57,801	0	57,801
Long term			
Term loan	22,187	0	22,187
	22,187	0	22,187
Total borrowings	79,988	0	79,988

Borrowings denominated in foreign currency:

	USD'000	RM'000 Equivalent
On-shore foreign currency financing	697	2,154
On-shore foreign currency loan	2,288	7,066
Revolving credit	350	1,081
	3,335	10,301



NOTES TO THE INTERIM FINANCIAL REPORT

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).

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. Proposed Dividend

A first and final single tier dividend of 1.5 sen per ordinary share for the financial year ended 31 December 2012 will be proposed for shareholders' approval at the forthcoming Annual General Meeting.

B12. Breakdown of Realised and Unrealised Profits or Losses of the Group

	At end of current financial quarter 31.03.2013 RM'000	At end of previous financial year 31.12.2012 RM'000
Total retained profits of Tek Seng Holdings Berhad and its subsidiaries :		
- Realised profits	87,240	145,853
- Unrealised profits	2,489	3,446
	<u>89,729</u>	<u>149,299</u>
Less : Consolidation adjustments	(26,700)	(85,640)
Total Group retained profits as per consolidated accounts	<u>63,029</u>	<u>63,659</u>

B13. Basis / Diluted of Calculation of Earnings Per Share

The basic / diluted earnings per share for the current quarter and cumulative months to date are computed as follow:

	Individual Current Quarter 31.03.13	Cumulative Months To Date 31.03.13
Net profit attributable to ordinary equity holders of the company (RM'000)	<u>385</u>	<u>385</u>
Weighted average number of ordinary shares of RM0.25 each in issue ('000)	<u>240,000</u>	<u>240,000</u>
Basic / Diluted Earnings Per Share based on weighted average number of ordinary shares of RM0.25 each in issue	<u>0.16</u>	<u>0.16</u>

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 first quarter ended 31 March 2013 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 : 26 April 2013