



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2013

	(Unaudited)	(Audited)
	As At	As At
	30.09.13	31.12.12
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	185,698	194,456
Trademark	2	3
Deferred tax assets	782	2,966
	<u>186,482</u>	<u>197,425</u>
Current assets		
Inventories	32,458	23,942
Trade receivables	31,754	27,707
Other receivables, deposits and prepayments	816	208
Current tax assets	47	41
Cash and cash equivalents	1,833	3,282
	<u>66,908</u>	<u>55,180</u>
TOTAL ASSETS	<u>253,390</u>	<u>252,605</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the company		
Share capital	60,000	60,000
Retained earnings	61,881	63,659
	<u>121,881</u>	<u>123,659</u>
Non controlling interest	8,464	8,919
Total equity	<u>130,345</u>	<u>132,578</u>
Non-current liabilities		
Borrowings	22,187	22,187
Government fund	2,000	0
	<u>24,187</u>	<u>22,187</u>
Current liabilities		
Borrowings	61,568	54,717
Trade payables	16,917	11,428
Other payables	19,565	31,008
Dividend payables	1	1
Current tax liabilities	807	686
	<u>98,858</u>	<u>97,840</u>
Total liabilities	<u>123,045</u>	<u>120,027</u>
TOTAL EQUITY AND LIABILITIES	<u>253,390</u>	<u>252,605</u>
Net Assets per Share (RM)	0.51	0.52
Net Assets (RM'000)	121,881	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 30 SEPTEMBER 2013**

	3 months ended		9 months ended	
	30.09.13 RM'000	30.09.12 RM'000	30.09.13 RM'000	30.09.12 RM'000
Revenue	55,958	49,520	153,393	145,630
Cost of sales	(47,323)	(43,978)	(132,942)	(125,017)
Gross profit	<u>8,635</u>	<u>5,542</u>	<u>20,451</u>	<u>20,613</u>
Other operating income	30	39	45	70
Operating expenses	(4,472)	(2,817)	(12,284)	(9,321)
Finance costs	(812)	(862)	(2,303)	(2,530)
Profit before tax	<u>3,381</u>	<u>1,902</u>	<u>5,909</u>	<u>8,832</u>
Income tax expense	(2,041)	(1,289)	(4,542)	(3,238)
PROFIT FOR THE PERIOD	<u>1,340</u>	<u>613</u>	<u>1,367</u>	<u>5,594</u>
OTHER COMPREHENSIVE INCOME	0	0	0	0
Total comprehensive income for the period	<u><u>1,340</u></u>	<u><u>613</u></u>	<u><u>1,367</u></u>	<u><u>5,594</u></u>
Profit for the period attributable to:				
- Equity holders of the company	2,810	1,485	3,822	6,607
- Non-controlling interests	<u>(1,470)</u>	<u>(872)</u>	<u>(2,455)</u>	<u>(1,013)</u>
Total comprehensive income for the period attributable to:				
- Equity holders of the company	2,810	1,485	3,822	6,607
- Non-controlling interests	<u>(1,470)</u>	<u>(872)</u>	<u>(2,455)</u>	<u>(1,013)</u>
Earnings per share attributable to equity holders of the company :				
Basic earnings per share (sen)	<u>1.17</u>	<u>0.62</u>	<u>1.59</u>	<u>2.76</u>
Diluted earnings per share (sen)	<u>1.17</u>	<u>0.62</u>	<u>1.59</u>	<u>2.76</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 30 SEPTEMBER 2013**

	Attributable to Equity Holders of the Company			Non Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Non-Distributable Other Reserve RM'000	Distributable Retained Earnings RM'000		
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
At 1 January 2013	60,000	0	63,659	8,919	132,578
Total comprehensive income for the period	0	0	3,822	(2,455)	1,367
Dividend	0	0	(3,600)	0	(3,600)
At 30 September 2013	60,000	0	63,881	6,464	130,345

(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 30 SEPTEMBER 2013**

	9 months ended	
	30.09.13	30.09.12
	RM'000	RM'000
Cash flow from operating activities		
Profit before tax	5,909	8,832
Adjustments for :		
Amortisation of intangible asset	1	1
Bad debts written off	0	18
Depreciation and amortisation	14,256	11,632
Interest expense	2,303	2,529
Interest income	(1)	(28)
Unrealised gain on foreign exchange	(911)	908
Gain on disposal of property, plant and equipment	(43)	(37)
Operating profit before working capital changes	<u>21,514</u>	<u>23,855</u>
(Increase) / Decrease in inventories	(8,516)	1,794
(Increase) / Decrease in trade and other receivables	(4,679)	1,466
Decrease in trade and other payables	<u>(5,783)</u>	<u>(2,292)</u>
Cash generated from operations	2,536	24,823
Interest paid	(2,303)	(2,529)
Interest received	1	28
Tax paid	<u>(2,243)</u>	<u>(1,691)</u>
Net cash flow from operating activities	<u>(2,009)</u>	<u>20,631</u>
Cash flow from investing activities		
Proceeds from disposal of property, plant and equipment	66	62
Purchase of property, plant and equipment	(5,521)	(36,307)
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>(5,455)</u>	<u>(35,777)</u>
Cash flow from financing activities		
Dividends paid	(3,600)	(3,605)
Proceeds from short term bank borrowings	133,107	131,816
Repayment of short term bank borrowings	(129,445)	(129,244)
Repayment of term loans	(2,829)	(3,073)
Proceeds from government fund	<u>2,000</u>	<u>0</u>
Net cash flow from financing activities	<u>(767)</u>	<u>(4,106)</u>
Net change in cash and cash equivalents	(8,231)	(19,252)
Effect of exchange rate changes on cash and cash equivalents	(107)	47
Cash and cash equivalents at beginning of the financial period	<u>2,163</u>	<u>15,684</u>
Cash and cash equivalents at end of the financial period	<u>(6,175)</u>	<u>(3,521)</u>

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

	As at 30.09.13 RM'000	As at 30.09.12 RM'000
Cash and cash equivalents	1,833	2,304
Bank overdrafts	<u>(8,008)</u>	<u>(5,825)</u>
	<u>(6,175)</u>	<u>(3,521)</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.

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
MFRS 132	Offsetting Financial Assets and Financial Liabilities
MFRS 136	Recoverable Amount Disclosures for Non-Financial Assets
MFRS 139	Novation of Derivatives and Continuation of Hedge
Amendments to MFRS 10, MFRS 12 And MFRS 127	Investment Entities

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

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

A first and final single tier dividend of 1.5 sen per ordinary share for the financial year ended 31 December 2012 was paid on 16 August 2013.

A8. Other Operating income

	Current Quarter 30.09.2013 RM'000	9 months Cumulative 30.09.2013 RM'000
Interest income	0	1
Gain on disposal of property and equipment	30	43
Bad debt recover	0	1
Total other operating income	<u>30</u>	<u>45</u>



NOTES TO THE INTERIM FINANCIAL REPORT

A9. Operating expenses

	Current Quarter 30.09.2013 RM'000	9 months Cumulative 30.09.2013 RM'000
Advertisement	6	24
Depreciation and amortisation	207	588
Foreign exchange loss	583	1,181
Rental	4	12
Salaries, allowances and bonus	994	3,592
Transportation	1,322	3,510
Water and electricity	20	57
General repairs and maintenance	159	481
Others	1,177	2,839
Total operating expenses	4,472	12,284

A10. Finance costs

	Current Quarter 30.09.2013 RM'000	9 months Cumulative 30.09.2013 RM'000
Interest on bank overdraft	4	20
Interest on bankers' acceptance	456	1,210
Interest on term loan	335	1,033
Interest on revolving credit	11	22
Others	6	18
Total finance costs	812	2,303

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>Solar</u> RM'000	<u>Group</u> RM'000
1 July 2013 to 30 September 2013						
Revenue						
External Revenue	46,848	3,668	2,249	10,705	3,365	66,835
Inter segment elimination	(9,104)	(1,106)	0	(667)	0	(10,877)
	37,744	2,562	2,249	10,038	3,365	55,958
Results						
Segment results	5,300	360	316	1,410	(3,156)	4,230
Other operating income	22	1	1	6	(67)	(37)
Finance costs	(583)	(39)	(35)	(155)	0	(812)
Profit/(Loss) before tax	4,739	322	282	1,261	(3,223)	3,381
Income tax expense	(1,427)	(97)	(85)	(380)	(52)	(2,041)
Profit/(Loss) for the period	3,312	225	197	881	(3,275)	1,340



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>Solar</u> RM'000	<u>Group</u> RM'000
1 July 2012 to						
30 September 2012						
Revenue						
External Revenue	44,389	3,683	2,306	8,209	0	58,587
Inter segment elimination	(7,785)	(869)	(1)	(412)	0	(9,067)
	36,604	2,814	2,305	7,797	0	49,520
Results						
Segment results	2,014	155	127	429	0	2,725
Other operating income	29	2	2	6	0	39
Finance costs	(637)	(49)	(40)	(136)	0	(862)
Profit before tax	1,406	108	89	299	0	1,902
Income tax expense	(953)	(73)	(60)	(203)	0	(1,289)
Profit for the period	453	35	29	96	0	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>Solar</u> RM'000	<u>Group</u> RM'000
1 January 2013 to						
30 September 2013						
Revenue						
External Revenue	128,173	10,423	6,622	29,747	5,915	180,880
Inter segment elimination	(22,700)	(2,863)	(2)	(1,922)	0	(27,487)
	105,473	7,560	6,620	27,825	5,915	153,393
Results						
Segment results	13,127	941	824	3,463	(10,188)	8,167
Other operating income	32	2	2	9	0	45
Finance costs	(1,645)	(118)	(103)	(434)	(3)	(2,303)
Profit/(Loss) before tax	11,514	825	723	3,038	(10,191)	5,909
Income tax expense	(3,180)	(228)	(199)	(839)	(96)	(4,542)
Profit/(Loss) for the period	8,334	597	524	2,199	(10,287)	1,367

	<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>Solar</u> RM'000	<u>Group</u> RM'000
1 January 2012 to						
30 September 2012						
Revenue						
External Revenue	130,850	10,494	7,747	24,325	0	173,416
Inter segment elimination	(23,524)	(2,809)	(8)	(1,445)	0	(27,786)
	107,326	7,685	7,739	22,880	0	145,630
Results						
Segment results	11,406	817	822	2,432	(4,185)	11,292
Other operating income	51	4	4	11	0	70
Finance costs	(1,865)	(134)	(134)	(397)	0	(2,530)
Profit/(Loss) before tax	9,592	687	692	2,046	(4,185)	8,832
Income tax expense	(2,386)	(171)	(172)	(509)	0	(3,238)
Profit/(Loss) for the period	7,206	516	520	1,537	(4,185)	5,594



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 30 September 2013, the Group has no material contingent liabilities save for a corporate guarantee of RM141,090,125 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 2013 is as follows :-

	RM'000
Contracted but not provided for	<u>564</u>

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 2013, the Group recorded a revenue of RM153.4 million while profit before tax was recorded at RM5.91 million. As compared to corresponding period of 30 September 2012, the revenue has increased by RM7.76 million but the Group's profit before tax has decreased by RM2.92 million as a result of higher production overhead.

Performance of the respective operating business segments for the period ended 30 September 2013 as compared to the previous year is analysed as

- 1) Sheeting - The increase in profit before tax by RM1.9 million to RM11.5 million was mainly due to lower purchase costs of raw materials and increase of selling price.
- 2) PP Non Woven - The increase in profit before tax by RM138,000 to RM825,000 was mainly due to lower purchase costs of raw materials.
- 3) PVC Leather - The increase in profit before tax by RM31,000 to RM723,000 was mainly due to lower purchase costs.
- 4) Others - The increase in profit before tax by RM1 million to RM3.04 million was mainly due to higher demand of PVC Sponge.
- 5) Solar - The loss before tax RM10.2 million was mainly due to high operating expenses.



NOTES TO THE INTERIM FINANCIAL REPORT

B1. Review of Performance (Continued)

b) Current Quarter vs. Previous Year Corresponding Quarter

For the current quarter, the Group recorded a revenue of RM55.96 million while profit before tax was recorded at RM3.38 million. The major contributor of the Group's revenue was PVC sheeting, which contributed approximately 67.45% towards the current quarter. As compared to corresponding quarter of 30 September 2012, the revenue has increased by RM6.44 million and the Group's profit before tax has increased by RM1.48 million as a result of lower purchase costs.

Performance of the respective operating business segments for the current quarter ended 30 September 2013 as compared to the previous corresponding quarter is analysed as follows:-

- 1) Sheeting - The increase in profit before tax by RM3.3 million to RM4.7 million was mainly due to lower purchase costs and higher turnover.
- 2) PP Non Woven - The increase in profit before tax by RM214,000 to RM322,000 was mainly due to higher turnover.
- 3) PVC Leather - The increase in profit before tax by RM193,000 to RM282,000 was mainly due to lower purchase costs.
- 4) Others - The increase in profit before tax by RM962,000 to RM1.26 million was mainly due to higher demand from export market of PVC Sponge.
- 5) Solar - The loss before tax RM3.2 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 01/07/13-30/09/13 RM'000	Preceding Quarter 01/04/13-30/06/13 RM'000
Profit before tax	3,381	1,393
Total comprehensive income for the period	1,340	137

The Group's profit before tax for the current quarter increased by RM1.99 million from RM1.39 million as recorded in the preceding quarter to RM3.38 million. This was mainly due to higher revenue especially from local market.

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 segment has started to contribute to the Group's revenue. 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 30.09.13 RM'000	9 months Cumulative 30.09.13 RM'000
Current tax expense		
- current	1,048	2,354
- prior years	4	4
Deferred tax expense		
Origination and reversal of temporary differences		
- current	989	2,184
Total tax expense	2,041	4,542

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 and losses suffered by a subsidiary.



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. 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 2013 were as follows:-

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term			
Bank overdrafts	8,008	0	8,008
Bankers' acceptance	38,942	0	38,942
Foreign currency trust receipt	851	0	851
On-shore foreign currency financing	3,964	0	3,964
On-shore foreign currency loan	7,126	0	7,126
Revolving credit	1,140	0	1,140
Term loan	1,358	0	1,358
Hire purchase payable	179	0	179
	61,568	0	61,568
Long term			
Term loan	22,187	0	22,187
	22,187	0	22,187
Total borrowings	83,755	0	83,755

Borrowings denominated in foreign currency:

	USD'000	RM'000 Equivalent
Foreign currency trust receipt	261	851
On-shore foreign currency financing	1,217	3,964
On-shore foreign currency loan	2,187	7,126
Revolving credit	350	1,140
	6,015	13,061

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

	At end of current financial quarter 30.09.2013 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	87,735	145,853
- Unrealised (loss) / profits	(129)	3,446
	87,606	149,299
Less : Consolidation adjustments	(25,725)	(85,640)
Total Group retained profits as per consolidated accounts	61,881	63,659



NOTES TO THE INTERIM FINANCIAL REPORT

B12. 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 30.09.13	Cumulative Months To Date 30.09.13
Net profit attributable to ordinary equity holders of the company (RM'000)	2,810	3,822
Weighted average number of ordinary shares of RM0.25 each in issue ('000)	240,000	240,000
Basic / Diluted Earnings Per Share based on weighted average number of ordinary shares of RM0.25 each in issue	1.17	1.59

B13. 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 third quarter ended 30 September 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 : 22 November 2013