



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2015

	(Unaudited)	(Audited)
	As At	As At
	31.03.15	31.12.14
ASSETS	RM'000	RM'000
<b>Non-current assets</b>		
Property, plant and equipment	269,364	217,293
Trademark	1	1
	<u>269,365</u>	<u>217,294</u>
<b>Current assets</b>		
Inventories	38,100	40,156
Trade receivables	38,375	26,053
Other receivables, deposits and prepayments	19,896	6,133
Current tax assets	15	46
Cash and cash equivalents	5,565	12,108
	<u>101,951</u>	<u>84,496</u>
<b>TOTAL ASSETS</b>	<u>371,316</u>	<u>301,790</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the company</b>		
Share capital	60,115	60,000
Retained earnings	65,237	63,109
	<u>125,352</u>	<u>123,109</u>
Non controlling interests	132,464	38,870
<b>Total equity</b>	<u>257,816</u>	<u>161,979</u>
<b>Non-current liabilities</b>		
Borrowings	14,687	14,687
Other payables	2,611	11,311
Deferred tax liabilities	2,648	2,091
Government fund	1,000	1,000
	<u>20,946</u>	<u>29,089</u>
<b>Current liabilities</b>		
Borrowings	59,311	39,961
Trade payables	12,723	11,024
Other payables	17,746	57,269
Government fund	1,000	1,000
Current tax liabilities	1,774	1,468
	<u>92,554</u>	<u>110,722</u>
<b>Total liabilities</b>	<u>113,500</u>	<u>139,811</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>371,316</u>	<u>301,790</u>
Net Assets per Share (RM)	0.52	0.51
Net Assets (RM'000)	125,352	123,109

(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 2014)



**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE THREE-MONTHS ENDED 31 MARCH 2015**

	3 months ended		3 months ended	
	31.03.15	31.03.14	31.03.15	31.03.14
	RM'000	RM'000	RM'000	RM'000
Revenue	58,957	51,903	58,957	51,903
Cost of sales	(51,450)	(45,209)	(51,450)	(45,209)
<b>Gross profit</b>	<u>7,507</u>	<u>6,694</u>	<u>7,507</u>	<u>6,694</u>
Other operating income	364	1	364	1
Operating expenses	(4,490)	(4,102)	(4,490)	(4,102)
Finance costs	(661)	(730)	(661)	(730)
<b>Profit before tax</b>	<u>2,720</u>	<u>1,863</u>	<u>2,720</u>	<u>1,863</u>
Income tax expense	(1,524)	(1,359)	(1,524)	(1,359)
<b>PROFIT FOR THE PERIOD</b>	<u>1,196</u>	<u>504</u>	<u>1,196</u>	<u>504</u>
<b>OTHER COMPREHENSIVE INCOME, NET OF TAX</b>	0	0	0	0
<b>Total comprehensive income for the period</b>	<u><u>1,196</u></u>	<u><u>504</u></u>	<u><u>1,196</u></u>	<u><u>504</u></u>
<b>Profit / (Loss) for the period attributable to:</b>				
- Equity holders of the company	2,128	978	2,128	978
- Non-controlling interests	<u>(932)</u>	<u>(474)</u>	<u>(932)</u>	<u>(474)</u>
Total comprehensive income / (loss) for the period attributable to:				
- Equity holders of the company	2,128	978	2,128	978
- Non-controlling interests	<u>(932)</u>	<u>(474)</u>	<u>(932)</u>	<u>(474)</u>
<b>Earnings per share attributable to equity holders of the company :</b>				
Basic earnings per share (sen)	<u>0.89</u>	<u>0.41</u>	<u>0.89</u>	<u>0.41</u>
Diluted earnings per share (sen)	<u>0.70</u>	<u>0.41</u>	<u>0.70</u>	<u>0.41</u>

(The Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2014)



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE THREE-MONTHS ENDED 31 MARCH 2015**

	Share Capital RM'000	<u>Distributable</u> Retained Earnings RM'000	Total Attributable To Owners of The Parent RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
At 1 January 2014	60,000	63,790	123,790	6,953	130,743
Profit / (Loss) for the financial period	0	978	978	(474)	504
Other comprehensive income, net of tax	0	0	0	0	0
Total comprehensive income/(loss) for the period	0	978	978	(474)	504
At 31 March 2014	60,000	64,768	124,768	6,479	131,247
At 1 January 2015	60,000	63,109	123,109	38,870	161,979
Profit / (Loss) for the financial period	0	2,128	2,128	(932)	1,196
Other comprehensive income, net of tax	0	0	0	0	0
Total comprehensive income/(loss) for the period	0	2,128	2,128	(932)	1,196
<b>Transaction with owners</b>					
Redeemable non-cumulative preference shares subscribed by non-controlling interests, of a subsidiary company	0	0	0	94,526	94,526
Issuance of ordinary shares - exercise of warrants	115	0	115	0	115
Total transactions with owners	115	0	115	94,526	94,641
At 31 March 2015	60,115	65,237	125,352	132,464	257,816

(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 2014)



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE THREE-MONTHS ENDED 31 MARCH 2015**

	<b>3 months ended</b>	
	<b>31.03.15</b>	<b>31.03.14</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	2,720	1,863
Adjustments for :		
Depreciation	5,341	4,735
Interest expense	661	730
Interest income	(2)	(1)
Unrealised loss/(gain) on foreign exchange	57	(291)
Deposit forfeited	(1)	0
Income from TNB	(361)	0
Operating profit before working capital changes	8,415	7,036
Decrease / (Increase) in inventories	2,056	(6,227)
(Increase) / Decrease in trade and other receivables	(26,442)	6,606
Decrease in trade and other payables	(46,279)	(7,650)
Cash used in operations	(62,250)	(235)
Interest paid	(661)	(730)
Interest received	2	1
Income from TNB	361	0
Tax paid	(630)	(675)
<b>Net cash used in operating activities</b>	<b>(63,178)</b>	<b>(1,639)</b>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment	0	341
Purchase of property, plant and equipment	(57,412)	(3,417)
Preference share capital contributed by non-controlling interests of a subsidiary company	94,526	0
Proceeds from issuance of shares pursuant to exercise of warrants	115	0
<b>Net cash from / (used in) investing activities</b>	<b>37,229</b>	<b>(3,076)</b>
<b>Cash flows from financing activities</b>		
Proceeds from short term bank borrowings	32,504	44,375
Repayments of short term bank borrowings	(28,315)	(44,232)
Repayments of term loans	(942)	(941)
<b>Net cash from / (used in) financing activities</b>	<b>3,247</b>	<b>(798)</b>
<b>Net change in cash and cash equivalents</b>	<b>(22,702)</b>	<b>(5,513)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(167)</b>	<b>(27)</b>
<b>Cash and cash equivalents at beginning of the financial period</b>	<b>11,594</b>	<b>2,909</b>
<b>Cash and cash equivalents at end of the financial period</b>	<b>(11,275)</b>	<b>(2,631)</b>

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

	<b>As at</b>	<b>As at</b>
	<b>31.03.15</b>	<b>31.03.14</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and cash equivalents	5,565	2,298
Bank overdrafts	(16,840)	(4,929)
	<b>(11,275)</b>	<b>(2,631)</b>

(The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2014)



**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 2014.

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 :

- Amendment to MFRS 116 and MFRS 138 *Clarification of Acceptable Methods of Depreciation and Amortisation*
- Amendments to MFRSs *Annual Improvements 2012 - 2014 Cycle*
- MFRS 14 *Regulatory Deferral Accounts*
- Amendments to MFRS 11 *Accounting for Acquisitions of Interest in Joint Operations*
- Amendment to MFRS 116 and MFRS 141 *Agriculture: Bearer Plants*
- Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- Amendments to MFRS 10, MFRS 12 and MFRS 128 *Investment Entities: Applying the Consolidation Exception*
- Amendments to MFRS 101 *Disclosure Initiative*
- Amendments to MFRS 127 *Equity Method in Separate Financial Statements*
- MFRS 15 *Revenue from Contracts with Customers*
- MFRS 9 *Financial Instruments*

**A2. Auditors' Report**

The auditors' report on the financial statements for the financial year ended 31 December 2014 was not subject to any qualification.

**A3. Seasonal and Cyclical factors**

Other than solar segment, the Group's products are subject to some seasonality whereby production has slight improvements 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**

For the financial period to date, there was no issuances, cancellations, repurchases, resale and repayments of debt and equity securities, save for the disclosure below:

- Issuance of 458,450 new ordinary shares of RM0.25 each pursuant to the exercise of warrants at RM0.25 per share. The total cash proceeds arising from the exercise of warrants during the current financial period amounted to RM114,612.50.

**A7. Dividend paid**

There was no dividend paid during the current quarter.

**A8. Other Operating income**

	<b>Current Quarter 31.03.2015 RM'000</b>	<b>3 months Cumulative 31.03.2015 RM'000</b>
Interest income	2	2
Deposit forfeited	1	1
Income from TNB	361	361
Total other operating income	<u>364</u>	<u>364</u>



NOTES TO THE INTERIM FINANCIAL REPORT

A9. Operating expenses

	Current Quarter 31.03.2015 RM'000	3 months Cumulative 31.03.2015 RM'000
Advertisement	17	17
Depreciation	178	178
Foreign exchange loss	174	174
Rental	10	10
Salaries, allowances and bonus	1,840	1,840
Transportation	1,029	1,029
Water and electricity	20	20
General repairs and maintenance	274	274
Others	948	948
Total operating expenses	4,490	4,490

A10. Finance costs

	Current Quarter 31.03.2015 RM'000	3 months Cumulative 31.03.2015 RM'000
Interest on bank overdraft	13	13
Interest on bankers' acceptance	364	364
Interest on term loan	267	267
Interest on revolving credit	12	12
Others	5	5
Total finance costs	661	661

A11. Segmental Reporting

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

	PVC Sheeting RM'000	PP Non- Woven RM'000	PVC Leather RM'000	Others RM'000	Solar RM'000	Group RM'000
<b>1 January 2015 to 31 March 2015</b>						
<b>Revenue</b>						
External Revenue	36,955	4,232	1,306	8,557	16,775	67,825
Inter segment elimination	(7,301)	(1,250)	0	(305)	(12)	(8,868)
	29,654	2,982	1,306	8,252	16,763	58,957
<b>Results</b>						
Segment results	3,776	380	166	1,051	(2,356)	3,017
Other operating income					364	364
Finance costs	(451)	(45)	(20)	(125)	(20)	(661)
Profit/(Loss) before tax	3,325	335	146	926	(2,012)	2,720
Income tax expense	(968)	(97)	(43)	(270)	(146)	(1,524)
Profit/(Loss) for the period	2,357	238	103	656	(2,158)	1,196

	PVC Sheeting RM'000	PP Non- Woven RM'000	PVC Leather RM'000	Others RM'000	Solar RM'000	Group RM'000
<b>1 January 2014 to 31 March 2014</b>						
<b>Revenue</b>						
External Revenue	40,671	3,827	1,515	9,528	5,850	61,391
Inter segment elimination	(7,841)	(1,136)	0	(511)	0	(9,488)
	32,830	2,691	1,515	9,017	5,850	51,903
<b>Results</b>						
Segment results	4,258	349	196	1,170	(3,381)	2,592
Other operating income	1	0	0	0	0	1
Finance costs	(520)	(43)	(24)	(143)	0	(730)
Profit/(Loss) before tax	3,739	306	172	1,027	(3,381)	1,863
Income tax expense	(965)	(79)	(44)	(265)	(6)	(1,359)
Profit/(Loss) for the period	2,774	227	128	762	(3,387)	504

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 2014.

A13. Subsequent Events

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



**NOTES TO THE INTERIM FINANCIAL REPORT**

**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**

	<b>RM'000</b>
Secured corporate guarantees given to licensed banks for facilities granted to subsidiaries	143,087
Unsecured corporate guarantees given to suppliers of subsidiaries	7,433
	<u>150,520</u>

**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 2015 is as follows :-

	<b>RM'000</b>
Contracted but not provided for	<u>11,966</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 RM58.9 million while profit before tax was recorded at RM2.7 million. The major contributor of the Group's revenue was PVC sheeting, which contributed approximately 50.3% towards the current quarter. As compared to corresponding quarter of 31 March 2014, the revenue has increased by RM7.1 million and the Group's profit before tax has increased by RM0.8 million as a result of higher sales volume and other operating income.

Performance of the respective operating business segments for the current quarter ended 31 March 2015 as compared to the previous corresponding quarter is analysed as follows:-

- 1) Sheeting - The decrease in profit before tax by RM0.4 million to RM3.3 million was mainly due to decrease of sales volume.
- 2) PP Non Woven - The slightly increase in profit before tax by RM29,000 to RM335,000 was mainly due to increase of sales volume.
- 3) PVC Leather - The slightly decrease in profit before tax by RM26,000 to RM146,000 was mainly due to decrease of sales volume.
- 4) Others - The decrease in profit before tax by RM101,000 to RM0.9 million was mainly due to lower demand of PVC Sponge.
- 5) Solar - The decrease in loss before tax by RM1.4 million was mainly due to higher sales volume and other operating income.

**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>Preceding Quarter</b>
	<b>01/01/15-31/03/15</b>	<b>01/10/14-31/12/14</b>
	<b>RM'000</b>	<b>RM'000</b>
Profit / (Loss) before tax	2,720	(416)
Total comprehensive income / (loss) for the period	1,196	(1,116)

The Group's profit before tax for the current quarter is RM2.7 million which is increased by RM3.1 million from loss before tax RM0.4 million as recorded in the preceding quarter. This was mainly due to increase in revenue and other operating income.

**B3. Prospects**

The Board of Directors foresee the performance of the Group for 2015 to remain stable for its PVC business although it may be affected by fluctuation in the price of raw materials. TS Solartech Sdn Bhd is expected to contribute significant to the revenue of 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 innovate new products to widen the range of product offering as a positive step forward to sustain the Group business growth and success moving forward. The Group will also look into exploring new market share globally.

**B4. Variance of Actual and Forecast Revenue**

Not applicable.



NOTES TO THE INTERIM FINANCIAL REPORT

**B5. Income Tax Expense**

	Current Quarter 31.03.15 RM'000	3 months Cumulative 31.03.15 RM'000
<b>Current tax expense</b>		
- current	967	967
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences		
- current	557	557
<b>Total tax expense</b>	1,524	1,524

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.

**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**

Corporate proposals announced as at the date of issue of this interim financial report are as follows:

- a) The 120,000,000 Warrants issued pursuant to the Bonus Issue of Warrants were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad with effect from 9.00 a.m., Tuesday, 10 February 2015, marking the completion of the Bonus Issue of Warrants.
- b) On 14 April 2015, TSHB (Tek Seng Holdings Bhd) Proposed conversion of Non-Cumulative Redeemable Preference Shares Of RM1.00 each in TS Solartech Sdn Bhd ("TS Solartech"), a 68.09% owned Subsidiary of TSHB into ordinary shares of RM1.00 each in TS Solactech.

**B8. Group Borrowings**

The Group's borrowings as at 31 March 2015 were as follows:-

	Secured RM'000	Unsecured RM'000	Total RM'000
<b>Short term</b>			
Bank overdrafts	16,840	0	16,840
Bankers' acceptance	33,957	0	33,957
On-shore foreign currency loan	3,998	0	3,998
Revolving credit	1,301	0	1,301
Term loan	3,215	0	3,215
	59,311	0	59,311
<b>Long term</b>			
Term loan	14,687	0	14,687
	14,687	0	14,687
<b>Total borrowings</b>	73,998	0	73,998

Borrowings denominated in foreign currency:

	USD'000	RM'000 Equivalent
On-shore foreign currency loan	1,076	3,998
Revolving credit	350	1,301
	1,426	5,300

**B9. Government Fund**

The Government fund is obtained from the Northern Corridor Implementation Authority, Malaysia as a soft loan. It is unsecured, interest free and repayable in two (2) yearly instalments as follows:

- (i) RM1,000,000 on or before 31 December 2015; and
- (ii) RM1,000,000 on or before 31 December 2016

The Government fund is denominated in RM.

**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).





NOTES TO THE INTERIM FINANCIAL REPORT

**B12. Proposed Dividend**

A first and final single tier dividend of 1 sen per ordinary share for the financial year ended 31 December 2014 will be proposed for shareholders' approval at the forthcoming Annual General Meeting.

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

	At end of current financial quarter 31.03.2015 RM'000	At end of previous financial year 31.12.2014 RM'000
Total retained earnings of Tek Seng Holdings Berhad and its subsidiaries :		
- Realised	103,323	234,304
- Unrealised	(2,591)	(2,636)
	<u>100,732</u>	<u>231,668</u>
Less : Consolidation adjustments	(35,495)	(168,559)
Total Group retained earnings as per consolidated accounts	<u><u>65,237</u></u>	<u><u>63,109</u></u>

**B14. Earnings Per Share**

**(a) Basic Earnings Per Share**

The basic earnings per share for the current financial quarter and current financial year-to-date had been calculated by dividing the Group's profit for the period attributable to equity holders of the Company by the weighted average number of shares in issue.

	Individual Current Quarter 31.03.15	3 Months Cumulative To Date 31.03.15
Profit for the period attributable to ordinary equity holders of the company (RM'000)	2,128	2,128
Weighted average number of ordinary shares of RM0.25 each in issue ('000)	240,118	240,118
<b>Basic Earnings Per Share based on weighted average number of ordinary shares of RM0.25 each in issue (sen)</b>	<b><u>0.89</u></b>	<b><u>0.89</u></b>

The weighted average number of ordinary shares used in the denominator in calculating basic earnings per share was determined as follows:

	Individual Current Quarter 31.03.15 '000	3 Months Cumulative To Date 31.03.15 '000
Number of ordinary shares at beginning of the period	240,000	240,000
Effect of shares issued pursuant to exercise of warrants	118	118
Weighted average number of ordinary shares	<u>240,118</u>	<u>240,118</u>

**(b) Diluted Earnings per share**

The diluted earnings per share had been calculated by dividing the Group's profit for the period attributable to the equity holders of the Company by the weighted average number of shares that would have been in issue upon full exercise of the remaining options under the warrants, adjusted for the number of such shares that would have been issued at fair value, calculated as follows:

	Individual Current Quarter 31.03.15	3 Months Cumulative To Date 31.03.15
Profit for the period attributable to ordinary equity holders of the company (RM'000)	2,128	2,128
Weighted average number of ordinary shares of RM0.25 each in issue ('000)	302,463	302,463
<b>Diluted Earnings Per Share based on weighted average number of ordinary shares of RM0.25 each in issue (sen)</b>	<b><u>0.70</u></b>	<b><u>0.70</u></b>

The weighted average number of ordinary shares used in the denominator in calculating diluted earnings per share was determined as follows:

	Individual Current Quarter 31.03.15 '000	3 Months Cumulative To Date 31.03.15 '000
Weighted average number of ordinary shares as per basic earnings per share	240,118	240,118
Effect of potential exercise of warrants	62,345	62,345
Weighted average number of ordinary shares	<u>302,463</u>	<u>302,463</u>



**NOTES TO THE INTERIM FINANCIAL REPORT**

**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 2015 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 MFRS 134 : 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 : 18 May 2015**