



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015**

	(Unaudited)	(Audited)
	As At	As At
	31.12.15	31.12.14
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	354,401	217,293
Trademark	0	1
	<u>354,401</u>	<u>217,294</u>
Current assets		
Inventories	52,966	40,156
Trade receivables	40,720	26,053
Other receivables, deposits and prepayments	9,395	6,133
Current tax assets	0	46
Cash and cash equivalents	18,024	12,108
	<u>121,105</u>	<u>84,496</u>
TOTAL ASSETS	<u>475,506</u>	<u>301,790</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	66,709	60,000
Retained earnings	108,401	63,109
	<u>175,110</u>	<u>123,109</u>
Non controlling interests	112,934	38,870
Total equity	<u>288,044</u>	<u>161,979</u>
Non-current liabilities		
Borrowings	54,549	14,687
Other payables	9,195	11,311
Deferred tax liabilities	4,530	2,091
Government fund	0	1,000
	<u>68,274</u>	<u>29,089</u>
Current liabilities		
Borrowings	49,882	39,961
Trade payables	22,648	11,024
Other payables	42,910	57,269
Government fund	2,000	1,000
Current tax liabilities	1,748	1,468
	<u>119,188</u>	<u>110,722</u>
Total liabilities	<u>187,462</u>	<u>139,811</u>
TOTAL EQUITY AND LIABILITIES	<u>475,506</u>	<u>301,790</u>
Net Assets per Share (RM)	0.66	0.51
Net Assets (RM'000)	175,110	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 TWELVE-MONTHS ENDED 31 DECEMBER 2015**

	3 months ended		12 months ended	
	31.12.15 RM'000	31.12.14 RM'000	31.12.15 RM'000	31.12.14 RM'000
Revenue	122,358	49,009	359,517	232,112
Cost of sales	(100,883)	(44,461)	(302,651)	(201,845)
Gross profit	<u>21,475</u>	<u>4,548</u>	<u>56,866</u>	<u>30,267</u>
Other operating income	57	2	644	7,014
Operating expenses	(4,299)	(4,199)	(19,569)	(16,181)
Finance costs	(798)	(767)	(3,268)	(2,973)
Profit / (Loss) before tax	<u>16,435</u>	<u>(416)</u>	<u>34,673</u>	<u>18,127</u>
Income tax expense	(343)	(700)	(6,016)	(6,738)
PROFIT / (LOSS) FOR THE PERIOD / YEAR	<u>16,092</u>	<u>(1,116)</u>	<u>28,657</u>	<u>11,389</u>
OTHER COMPREHENSIVE INCOME, NET OF TAX	0	0	0	0
Total comprehensive income / (loss) for the period / year	<u><u>16,092</u></u>	<u><u>(1,116)</u></u>	<u><u>28,657</u></u>	<u><u>11,389</u></u>
Profit / (Loss) for the period / year attributable to:				
- Equity holders of the Company	10,410	(513)	21,269	12,079
- Non-controlling interests	<u>5,682</u>	<u>(603)</u>	<u>7,388</u>	<u>(690)</u>
Total comprehensive income / (loss) for the period / year attributable to:				
- Equity holders of the Company	10,410	(513)	21,269	12,079
- Non-controlling interests	<u>5,682</u>	<u>(603)</u>	<u>7,388</u>	<u>(690)</u>
Earnings per share attributable to equity holders of the Company:				
Basic earnings per share (sen)	<u>4.02</u>	<u>(0.21)</u>	<u>8.51</u>	<u>5.03</u>
Diluted earnings per share (sen)	<u>3.22</u>	<u>(0.21)</u>	<u>7.01</u>	<u>5.03</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 TWELVE-MONTHS ENDED 31 DECEMBER 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 year	0	12,079	12,079	(690)	11,389
Other comprehensive income, net of tax	0	0	0	0	0
Total comprehensive income/(loss) for the year	0	12,079	12,079	(690)	11,389
Transactions with owners					
Redeemable non-cumulative preference shares ("RNCPS") subscribed by non-controlling interests, of a subsidiary company	0	0	0	6,672	6,672
Ordinary shares subscribed by non-controlling interests, of a subsidiary company	0	0	0	13,175	13,175
Dilution of interest arising from deemed disposal of equity interests in a subsidiary	0	(12,760)	(12,760)	12,760	0
Total transactions with owners	0	(12,760)	(12,760)	32,607	19,847
At 31 December 2014	<u>60,000</u>	<u>63,109</u>	<u>123,109</u>	<u>38,870</u>	<u>161,979</u>
At 1 January 2015	60,000	63,109	123,109	38,870	161,979
Profit for the financial year	0	21,269	21,269	7,388	28,657
Other comprehensive income, net of tax	0	0	0	0	0
Total comprehensive income for the year	0	21,269	21,269	7,388	28,657
Transactions with owners					
Redeemable non-cumulative preference shares ("RNCPS") subscribed by non-controlling interests, of a subsidiary company	0	0	0	94,526	94,526
Accretion of interest arising from conversion of RNCPS to ordinary share in a subsidiary	0	27,850	27,850	(27,850)	0
Issuance of ordinary shares - exercise of warrants	6,709	0	6,709	0	6,709
Dividends	0	(3,827)	(3,827)	0	(3,827)
Total transactions with owners	6,709	24,023	30,732	66,676	97,408
At 31 December 2015	<u>66,709</u>	<u>108,401</u>	<u>175,110</u>	<u>112,934</u>	<u>288,044</u>

(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 TWELVE-MONTHS ENDED 31 DECEMBER 2015**

	12 months ended	
	31.12.15	31.12.14
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	34,673	18,127
Adjustments for :		
Amortisation of intangible asset	1	1
Bad debts written off	0	20
Depreciation	25,355	18,599
Interest expense	3,268	2,973
Interest income	(12)	(2)
Unrealised (gain) / loss on foreign exchange	(553)	545
Property, plant and equipment written off	20	29
Gain on disposal of property, plant and equipment	(24)	(126)
Operating profit before working capital changes	62,728	40,166
Increase in inventories	(12,810)	(9,763)
(Increase) / Decrease in trade and other receivables	(15,515)	5,220
(Decrease) / Increase in trade and other payables	(5,562)	33,357
Cash generated from operations	28,841	68,980
Interest paid	(3,268)	(2,973)
Interest received	12	2
Tax paid	(3,251)	(3,680)
Net cash from operating activities	22,334	62,329
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	25	230
Purchase of property, plant and equipment	(162,484)	(54,237)
Net cash used in investing activities	(162,459)	(54,007)
Cash flows from financing activities		
Dividends paid	(3,827)	0
Proceeds from short term bank borrowings	184,462	159,659
Repayments of short term bank borrowings	(149,440)	(175,407)
Repayments of term loans	(3,768)	(3,762)
Subscribed by non-controlling interests of a subsidiary company		
- Ordinary shares	0	13,175
- RNCPS	94,526	6,672
Proceeds from issuance of shares pursuant to exercise of warrants	6,709	0
Net cash from financing activities	128,662	337
Net change in cash and cash equivalents	(11,463)	8,659
Effect of exchange rate changes on cash and cash equivalents	284	26
Cash and cash equivalents at beginning of the financial year	11,594	2,909
Cash and cash equivalents at end of the financial year	415	11,594

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

	As at	As at
	31.12.15	31.12.14
	RM'000	RM'000
Cash and cash equivalents	18,024	12,108
Bank overdrafts	(17,609)	(514)
	415	11,594

(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.

The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the audited consolidated financial statements of the Group for the financial year ended 31 December 2014.

The Group had adopted the following Amendments to Standards, with a date of initial application of 1 January 2014.

Amendments to MFRS 119 *Defined Benefit Plans : Employee Contributions*
Amendments to MFRSs *Annual Improvements 2010 - 2012 Cycle*
Amendments to MFRSs *Annual Improvements 2011 - 2013 Cycle*

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 26,836,012 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 RM6,709,003.

A7. Dividend paid

A first and final single tier dividend of 1 sen per ordinary share for the financial year ended 31 December 2014 was paid on 28 July 2015. The interim single tier dividend of 0.5 sen per ordinary share for the financial year ended 31 December 2015 was paid on 28 January 2016.



NOTES TO THE INTERIM FINANCIAL REPORT

A8. Other Operating income

	Current Quarter 31.12.2015 RM'000	12 months Cumulative 31.12.2015 RM'000
Interest income	2	12
Gain on disposal of property and equipment	21	24
Deposit forfeited / Other income(receivables)	16	134
Income from TNB	18	474
Total other operating income	57	644

A9. Operating expenses

	Current Quarter 31.12.2015 RM'000	12 months Cumulative 31.12.2015 RM'000
Advertisement	15	59
Depreciation	173	716
Foreign exchange (gain) / loss	(308)	1,408
Rental	12	45
Salaries, allowances and bonus	2,018	7,634
Transportation	1,205	4,968
Water and electricity	19	86
General repairs and maintenance	248	1,018
Others	917	3,635
Total operating expenses	4,299	19,569

A10. Finance costs

	Current Quarter 31.12.2015 RM'000	12 months Cumulative 31.12.2015 RM'000
Interest on bank overdraft	159	468
Interest on bankers' acceptance	293	1,410
Interest on term loan	230	995
Interest on revolving credit	14	39
Others	102	356
Total finance costs	798	3,268

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 RM'000	Group RM'000
1 October 2015 to 31 December 2015						
Revenue						
External Revenue	33,343	2,723	1,555	5,669	83,058	126,348
Inter segment elimination	(3,784)	(50)	(1)	(152)	(3)	(3,990)
	29,559	2,673	1,554	5,517	83,055	122,358
Results						
Segment results	4,066	368	214	759	11,769	17,176
Other operating income	28	3	1	5	20	57
Finance costs	(383)	(35)	(20)	(71)	(289)	(798)
Profit before tax	3,711	336	195	693	11,500	16,435
Income tax expense	(203)	(18)	(11)	(38)	(73)	(343)
Profit for the period	3,508	318	184	655	11,427	16,092



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>Solar</u> RM'000	<u>Group</u> RM'000
1 October 2014 to 31 December 2014						
Revenue						
External Revenue	36,573	3,195	1,118	6,608	10,689	58,183
Inter segment elimination	(7,294)	(954)	0	(334)	(592)	(9,174)
	29,279	2,241	1,118	6,274	10,097	49,009
Results						
Segment results	2,392	183	91	513	(2,830)	349
Other operating income	1	0	0	1	0	2
Finance costs	(570)	(44)	(21)	(122)	(10)	(767)
Profit/(Loss) before tax	1,823	139	70	392	(2,840)	(416)
Income tax expense	(476)	(36)	(18)	(102)	(68)	(700)
Profit/(Loss) for the period	1,347	103	52	290	(2,908)	(1,116)

	<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>Solar</u> RM'000	<u>Group</u> RM'000
1 January 2015 to 31 December 2015						
Revenue						
External Revenue	153,262	12,299	5,805	28,130	185,249	384,745
Inter segment elimination	(22,334)	(1,413)	(1)	(1,425)	(55)	(25,228)
	130,928	10,886	5,804	26,705	185,194	359,517
Results						
Segment results	17,611	1,464	781	3,592	13,849	37,297
Other operating income	118	10	6	23	487	644
Finance costs	(1,722)	(143)	(77)	(351)	(975)	(3,268)
Profit before tax	16,007	1,331	710	3,264	13,361	34,673
Income tax expense	(4,353)	(362)	(193)	(888)	(220)	(6,016)
Profit for the year	11,654	969	517	2,376	13,141	28,657

	<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>Solar</u> RM'000	<u>Group</u> RM'000
1 January 2014 to 31 December 2014						
Revenue						
External Revenue	164,343	14,055	6,362	36,771	48,008	269,539
Inter segment elimination	(30,330)	(4,100)	0	(2,405)	(592)	(37,427)
	134,013	9,955	6,362	34,366	47,416	232,112
Results						
Segment results	17,386	1,292	826	4,458	(9,876)	14,086
Other operating income	92	7	4	24	6,887	7,014
Finance costs	(2,140)	(160)	(101)	(549)	(23)	(2,973)
Profit/(Loss) before tax	15,338	1,139	729	3,933	(3,012)	18,127
Income tax expense	(4,800)	(357)	(228)	(1,231)	(122)	(6,738)
Profit/(Loss) for the year	10,538	782	501	2,702	(3,134)	11,389

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

As at 05 June 2015, TS Solartech Sdn Bhd ("TS Solartech"), was a 68.09%-owned subsidiary of TSHB. Pursuant to the proposed conversion of Non-Cumulative Redeemable Preference Shares into 216,780,000 ordinary shares of RM 1 each ("Proposed Conversion"), TSHB's equity interest in TS Solartech will be reduced to 50.69% and Solartech Energy Corp. ("SEC" or the "Investor") equity interest in TS Solartech will increase from 20.92% to 42.12% whereas other non-controlling shareholders' shareholdings will be reduced from 10.99% to 7.19%. TS Solartech does not have any subsidiary or associate company.

The Company completed the proposed conversion on 1 July 2015.

A15. Contingent Liabilities

	RM'000
Secured corporate guarantees given to licensed banks for facilities granted to subsidiaries	145,590
Unsecured corporate guarantees given to suppliers of subsidiaries	14,164
	<u>159,754</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 December 2015 is as follows :-

	RM'000
Contracted but not provided for	<u>16,545</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 31 December 2015, the Group recorded a revenue of RM359.5 million while profit before tax was recorded at RM34.7 million. As compared to corresponding period of 31 December 2014, the revenue has increased by RM127.4 million and the Group's profit before tax has increased by RM16.5 million as a result of higher revenue.

Performance of the respective operating business segments for the period ended 31 December 2015 as compared to the previous year is analysed as follows:-

- 1) Sheeting - The increase in profit before tax by RM0.7 million to RM16 million was mainly due to lower finance costs.
- 2) PP Non Woven - The slight increase in profit before tax by RM192,000 to RM1.3 million was mainly due to higher sales volume.
- 3) PVC Leather - The slight decrease in profit before tax by RM19,000 to RM710,000 was mainly due to lower sales volume and realised forex loss.
- 4) Others - The decrease in profit before tax by RM0.7 million to RM3.3 million was mainly due to lower sales volume and realised forex loss.
- 5) Solar - The increase in profit before tax by RM16.4 million to RM13.4 million was mainly due to higher sales volume.

b) Current Quarter vs. Previous Year Corresponding Quarter

For the current quarter, the Group recorded a revenue of RM122.4 million while profit before tax was recorded at RM16.4 million. The major contributor of the Group's revenue was from Solar, which contributed approximately 67.88% towards the current quarter. As compared to corresponding quarter of 31 December 2014, the revenue has increased by RM73.3 million and the Group's profit before tax has increased by RM16.9 million as a result of higher revenue.

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

- 1) Sheeting - The increase in profit before tax by RM1.9 million to RM3.7 million was mainly due to higher sales volume and unrealised forex gain.
- 2) PP Non Woven - The increase in profit before tax by RM197,000 to RM336,000 was mainly due to higher sales volume and unrealised forex gain.
- 3) PVC Leather - The increase in profit before tax by RM125,000 to RM195,000 was mainly due to higher sales volume and unrealised forex gain.
- 4) Others - The increase in profit before tax by RM301,000 to RM693,000 was mainly due to unrealised forex gain and lower finance costs.
- 5) Solar - The increase in profit before tax by RM14.3 million to RM11.5 million was mainly due to higher sales volume.



NOTES TO THE INTERIM FINANCIAL REPORT

B2. Variation of Results Against Preceding Quarter

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

	Current Quarter 01/10/15-31/12/15 RM'000	Preceding Quarter 01/07/15-30/09/15 RM'000
Profit before tax	16,435	10,977
Total comprehensive income for the period	16,092	8,816

The Group's profit before tax for the current quarter is RM16.4 million which is increased by RM5.4 million from profit before tax RM11 million as recorded in the preceding quarter. This was mainly due to increase in revenue and solar segment started to contribute profit to the Group.

B3. Prospects

The Board of Directors foresees the performance of the Group for 2016 to remain stable for its PVC business although it may be affected by fluctuation in the price of raw materials as a result of the market uncertainty and the impact from the weakening Ringgit. TS Solartech Sdn Bhd has started to contribute significantly to the revenue and profit of the Group. However, the Group will be taking cautious approach to mitigate the exposure by improving its operational efficiency, product quality and product innovation as a positive step forward to sustain the Group's business growth and success. The Group will also look into exploring new market share globally.

B4. Variance of Actual and Forecast Revenue

Not applicable.

B5. Income Tax Expense

	Current Quarter 31.12.15 RM'000	12 months Cumulative 31.12.15 RM'000
Current tax expense		
- current	410	2,956
- prior years	4	621
Deferred tax expense		
Origination and reversal of temporary differences		
- current	(71)	2,439
Total tax expense	<u>343</u>	<u>6,016</u>

The Group's effective tax rate for the current period was lower than the statutory tax rate of 25% due to double deduction claimed on certain eligible expenditure, claims on reinvestment allowances and others tax allowances by subsidiary companies.

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

Private Placement

On 29 January 2016, the Company announced proposed private placement of up to ten percent (10%) of the issued and paid-up share capital of TSHB.



NOTES TO THE INTERIM FINANCIAL REPORT

B8. Group Borrowings

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

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term			
Bank overdrafts	17,609	0	17,609
Bankers' acceptance	25,355	0	25,355
Term loan	4,139	0	4,139
Hire purchase payable	2,779	0	2,779
	<u>49,882</u>	<u>0</u>	<u>49,882</u>
Long term			
Hire purchase payable	43,612	0	43,612
Term loan	10,937	0	10,937
	<u>54,549</u>	<u>0</u>	<u>54,549</u>
Total borrowings	<u>104,431</u>	<u>0</u>	<u>104,431</u>
Borrowings denominated in foreign currency:			
	USD'000	RM'000 Equivalent	
Hire purchase payable	<u>10,809</u>	<u>46,391</u>	

B9. Government Fund

The Government fund of RM2,000,000 was obtained from the Northern Corridor Implementation Authority, Malaysia as a soft loan. It is unsecured, interest free and repayable 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).

B12. Proposed Dividend

A final single tier dividend of 1.5 sen per ordinary share for the financial year ended 31 December 2015 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 31.12.2015 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	128,342	234,304
- Unrealised	(3,977)	(2,636)
	<u>124,365</u>	<u>231,668</u>
Less : Consolidation adjustments	(15,964)	(168,559)
Total Group retained earnings as per consolidated accounts	<u>108,401</u>	<u>63,109</u>



NOTES TO THE INTERIM FINANCIAL REPORT

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 31.12.15	12 Months Cumulative To Date 31.12.15
Profit for the period attributable to ordinary equity holders of the Company (RM'000)	10,410	21,269
Weighted average number of ordinary shares of RM0.25 each in issue ('000)	258,890	249,961
Basic Earnings Per Share based on weighted average number of ordinary shares of RM0.25 each in issue (sen)	4.02	8.51

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

	Individual Current Quarter 31.12.15 '000	12 Months Cumulative To Date 31.12.15 '000
Number of ordinary shares at beginning of the period	240,000	240,000
Effect of shares issued pursuant to exercise of warrants	18,890	9,961
Weighted average number of ordinary shares	258,890	249,961

B14. Earnings Per Share (Continued)

(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 31.12.15	12 Months Cumulative To Date 31.12.15
Profit for the period attributable to ordinary equity holders of the Company (RM'000)	10,410	21,269
Weighted average number of ordinary shares of RM0.25 each in issue ('000)	323,765	303,281
Diluted Earnings Per Share based on weighted average number of ordinary shares of RM0.25 each in issue (sen)	3.22	7.01

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

	Individual Current Quarter 31.12.15 '000	12 Months Cumulative To Date 31.12.15 '000
Weighted average number of ordinary shares as per basic earnings per share	258,890	249,961
Effect of potential exercise of warrants	64,875	53,320
Weighted average number of ordinary shares	323,765	303,281



NOTES TO THE INTERIM FINANCIAL REPORT

B15. Provision of Financial Assistance

- (a) There has been no additional financial assistance provided pursuant to Paragraph 8.23 of the Main Market Listing Requirement during the current quarter.
- (b) The aggregate amount of financial assistance provided during the previous quarter was as follows:

<u>Type of Financial Assistance</u>	Limit of Amount USD'000
Corporate Guarantee for ordinary course of business of a 50.69% owned Subsidiary.	<u>1,300</u>
There was no financial impact on the Group arising from the financial assistance provided.	(equivalent to approximately RM5.6 millio at exchange rate of RM4.292)

B16. 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 fourth quarter ended 31 December 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 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 : 15 February 2016