



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2016**

	(Unaudited)	(Audited)
	As At	As At
	31.03.16	31.12.15
ASSETS	RM'000	RM'000
Non-current assets		
Property, plant and equipment	356,410	354,401
	<u>356,410</u>	<u>354,401</u>
Current assets		
Inventories	77,697	52,966
Trade receivables	13,513	40,720
Other receivables, deposits and prepayments	6,548	10,719
Current tax assets	3	12
Cash and bank balances	32,588	18,024
	<u>130,349</u>	<u>122,441</u>
TOTAL ASSETS	<u>486,759</u>	<u>476,842</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	77,323	66,709
Share premium	22,114	0
Retained earnings	123,475	108,401
	<u>222,912</u>	<u>175,110</u>
Non controlling interests	122,908	112,934
Total equity	<u>345,820</u>	<u>288,044</u>
Non-current liabilities		
Borrowings	51,760	55,611
Other payables	0	9,195
Deferred tax liabilities	5,241	4,530
	<u>57,001</u>	<u>69,336</u>
Current liabilities		
Borrowings	24,872	48,820
Trade payables	7,962	22,648
Other payables	47,206	44,233
Government fund	2,000	2,000
Current tax liabilities	1,897	1,761
	<u>83,937</u>	<u>119,462</u>
Total liabilities	<u>140,938</u>	<u>188,798</u>
TOTAL EQUITY AND LIABILITIES	<u>486,758</u>	<u>476,842</u>
Net Assets per Share (RM)	0.72	0.66
Net Assets (RM'000)	222,912	175,110

(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 2015)



UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTHS ENDED 31 MARCH 2016

	Current Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	31.03.16	31.03.15	31.03.16	31.03.15
	RM'000	RM'000	RM'000	RM'000
Revenue	131,279	58,957	131,279	58,957
Cost of sales	(107,423)	(51,450)	(107,423)	(51,450)
Gross profit	<u>23,856</u>	<u>7,507</u>	<u>23,856</u>	<u>7,507</u>
Other operating income	8,847	364	8,847	364
Operating expenses	(5,736)	(4,490)	(5,736)	(4,490)
Finance costs	(385)	(661)	(385)	(661)
Profit before tax	<u>26,582</u>	<u>2,720</u>	<u>26,582</u>	<u>2,720</u>
Income tax expense	(1,534)	(1,524)	(1,534)	(1,524)
PROFIT FOR THE PERIOD	<u>25,048</u>	<u>1,196</u>	<u>25,048</u>	<u>1,196</u>
OTHER COMPREHENSIVE INCOME, NET OF TAX	0	0	0	0
Total comprehensive income for the period	<u><u>25,048</u></u>	<u><u>1,196</u></u>	<u><u>25,048</u></u>	<u><u>1,196</u></u>
Profit / (Loss) for the period attributable to:				
- Equity holders of the Company	15,074	2,128	15,074	2,128
- Non-controlling interests	<u>9,974</u>	<u>(932)</u>	<u>9,974</u>	<u>(932)</u>
Total comprehensive income / (loss) for the period attributable to:				
- Equity holders of the Company	15,074	2,128	15,074	2,128
- Non-controlling interests	<u>9,974</u>	<u>(932)</u>	<u>9,974</u>	<u>(932)</u>
Earnings per share attributable to equity holders of the Company:				
Basic earnings per share (sen)	<u>5.36</u>	<u>0.89</u>	<u>5.36</u>	<u>0.89</u>
Diluted earnings per share (sen)	<u>4.41</u>	<u>0.70</u>	<u>4.41</u>	<u>0.70</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 2015)



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE-MONTHS ENDED 31 MARCH 2016**

	Share Capital RM'000	Distributable		Total Attributable To Owners of The Parent RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
		Share Premium RM'000	Retained Earnings RM'000			
At 1 January 2015	60,000	0	63,109	123,109	38,870	161,979
Profit / (Loss) for the financial period	0	0	2,128	2,128	(932)	1,196
Other comprehensive income, net of tax	0	0	0	0	0	0
Total comprehensive income/(loss) for the period	0	0	2,128	2,128	(932)	1,196
Transactions with owners						
Redeemable non-cumulative preference shares ("RNCPS") subscribed by non-controlling interests, of a subsidiary company	0	0	0	0	94,526	94,526
Issuance of ordinary shares - exercise of warrants	115	0	0	115	0	115
Total transactions with owners	115	0	0	115	94,526	94,641
At 31 March 2015	60,115	0	65,237	125,352	132,464	257,816
At 1 January 2016	66,709	0	108,401	175,110	112,934	288,044
Profit for the financial period	0	0	15,074	15,074	9,974	25,048
Other comprehensive income, net of tax	0	0	0	0	0	0
Total comprehensive income for the period	0	0	15,074	15,074	9,974	25,048
Transactions with owners						
Issuance of ordinary shares - exercise of warrants	3,788	0	0	3,788	0	3,788
- private placement	6,826	22,114	0	28,940	0	28,940
Total transactions with owners	10,614	22,114	0	32,728	0	32,728
At 31 March 2016	77,323	22,114	123,475	222,912	122,908	345,820

(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 2015)



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE-MONTHS ENDED 31 MARCH 2016**

	3 months ended	
	31.03.16	31.03.15
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	26,582	2,720
Adjustments for :		
Depreciation	8,139	5,341
Interest expense	385	661
Interest income	(3)	(2)
Unrealised (gain) / loss on foreign exchange	(6,715)	57
Deposit forfeited	0	(1)
Operating profit before working capital changes	<u>28,388</u>	<u>8,776</u>
(Increase) / Decrease in inventories	(24,731)	2,056
Decrease / (Increase) in trade and other receivables	31,603	(26,442)
Decrease in trade and other payables	(12,517)	(46,279)
Cash generated from / (used in) operations	<u>22,743</u>	<u>(61,889)</u>
Interest paid	(385)	(661)
Interest received	3	2
Tax paid	(678)	(630)
Net cash from / (used in) operating activities	<u>21,683</u>	<u>(63,178)</u>
Cash flows from investing activity		
Purchase of property, plant and equipment	(10,148)	(57,412)
Net cash used in investing activity	<u>(10,148)</u>	<u>(57,412)</u>
Cash flows from financing activities		
Proceeds from short term bank borrowings	1,373	32,504
Repayments of short term bank borrowings	(27,065)	(28,315)
Repayments of term loans	(942)	(942)
Subscribed by non-controlling interests of a subsidiary company		
- RNCPS	0	94,526
Proceeds from issuance of shares pursuant to exercise of warrants	3,788	115
Proceeds from issuance of shares pursuant to private placement	28,940	0
Net cash from financing activities	<u>6,094</u>	<u>97,888</u>
Net changes in cash and cash equivalents	17,629	(22,702)
Effect of exchange rate changes on cash and cash equivalents	(1,996)	(167)
Cash and cash equivalents at beginning of the financial period	<u>415</u>	<u>11,594</u>
Cash and cash equivalents at end of the financial period	<u>16,048</u>	<u>(11,275)</u>

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

	As at	As at
	31.03.16	31.03.15
	RM'000	RM'000
Cash and bank balances	32,588	5,565
Bank overdrafts	(16,540)	(16,840)
	<u>16,048</u>	<u>(11,275)</u>

(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 2015)



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 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 2015.

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 2015.

The Group had adopted the following Amendments to Standards, with a date of initial application of 1 January 2016.

MFRS 14 *Regulatory Deferral Accounts*
Amendments to MFRS 10, MFRS 12 and MFRS 128 *Investment Entities: Applying the Consolidation Exception*
Amendments to MFRS 101 *Disclosure Initiative*
Amendments to MFRS 116 and MFRS 138 *Clarification of Acceptable Methods of Depreciation and Amortisation*
Amendments to MFRS 11 *Accounting for Acquisitions of Interests in Joint Operations*
Amendments to MFRS 116 and MFRS 141 *Agriculture : Bearer Plants*
Amendments to MFRS 127 *Equity Method in Separate Financial Statements*
Amendments to MFRSs *Annual Improvements to 2012-2014 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:

MFRS 9 *Financial Instruments*
MFRS 15 *Revenue from Contracts with Customers*
Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associates or Joint Venture*
Amendments to MFRS 107 *Disclosure Initiative*
Amendments to MFRS 112 *Recognition of Deferred Tax Assets for Unrealised Losses*

A2. Auditors' Report

The auditors' report on the financial statements for the financial year ended 31 December 2015 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 were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities, save for the disclosure below:

- i) Issuance of 15,153,450 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 RM3,788,362.50
- ii) Issuance of 27,301,600 new ordinary shares of RM0.25 each pursuant to private placement at RM1.06 per share. The total cash proceeds arising from the private placement on 03 March 2016 amounted to RM28,939,696.00
- iii) Issuance of 3,627,500 new ordinary shares of RM0.25 each pursuant to private placement at RM1.00 per share. The total cash proceeds arising from the private placement on 26 April 2016 amounted to RM3,627,500.00

A7. Dividend paid

An 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 31.03.2016 RM'000	3 months Cumulative 31.03.2016 RM'000
Interest income	3	3
Income from TNB	40	40
Foreign exchange gain	6,678	6,678
Compensation received from a supplier	2,096	2,096
Other income	30	30
Total other operating income	<u>8,847</u>	<u>8,847</u>

A9. Operating Expenses

	Current Quarter 31.03.2016 RM'000	3 months Cumulative 31.03.2016 RM'000
Advertisement	12	12
Depreciation	164	164
Rental	12	12
Salaries, allowances and bonus	2,388	2,388
Transportation	1,364	1,364
Water and electricity	22	22
General repairs and maintenance	298	298
Others	1,476	1,476
Total operating expenses	<u>5,736</u>	<u>5,736</u>

A10. Finance costs

	Current Quarter 31.03.2016 RM'000	3 months Cumulative 31.03.2016 RM'000
Interest on bank overdraft	127	127
Interest on bankers' acceptance	9	9
Interest on term loan	213	213
Interest on revolving credit	3	3
Others	33	33
Total finance costs	<u>385</u>	<u>385</u>

A11. Segmental Reporting

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

	<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 2016 to 31 March 2016						
Revenue						
External Revenue	34,761	2,592	1,712	8,024	89,015	136,104
Inter segment elimination	(4,392)	(65)	(4)	(323)	(41)	(4,825)
	<u>30,369</u>	<u>2,527</u>	<u>1,708</u>	<u>7,701</u>	<u>88,974</u>	<u>131,279</u>
Results						
Segment results	4,290	357	241	1,088	12,144	18,120
Other operating income	345	28	20	87	8,367	8,847
Finance costs	(161)	(13)	(9)	(41)	(161)	(385)
Profit before tax	<u>4,474</u>	<u>372</u>	<u>252</u>	<u>1,134</u>	<u>20,350</u>	<u>26,582</u>
Income tax expense	(1,080)	(90)	(61)	(273)	(30)	(1,534)
Profit for the period	<u>3,394</u>	<u>282</u>	<u>191</u>	<u>861</u>	<u>20,320</u>	<u>25,048</u>



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 January 2015 to 31 March 2015						
Revenue						
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)
	<u>29,654</u>	<u>2,982</u>	<u>1,306</u>	<u>8,252</u>	<u>16,763</u>	<u>58,957</u>
Results						
Segment results	3,776	380	166	1,051	(2,356)	3,017
Other operating income	0	0	0	0	364	364
Finance costs	(451)	(45)	(20)	(125)	(20)	(661)
Profit/(Loss) before tax	<u>3,325</u>	<u>335</u>	<u>146</u>	<u>926</u>	<u>(2,012)</u>	<u>2,720</u>
Income tax expense	(968)	(97)	(43)	(270)	(146)	(1,524)
Profit/(Loss) for the period	<u>2,357</u>	<u>238</u>	<u>103</u>	<u>656</u>	<u>(2,158)</u>	<u>1,196</u>

A12. Valuation of Property, Plant and Equipment

There was no revaluation of property, plant and equipment by the Group since the last audited financial statements for the financial year ended 31 December 2015.

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

Secured corporate guarantees given to licensed banks for facilities granted to subsidiaries	RM'000
Unsecured corporate guarantees given to suppliers of subsidiaries	143,980
	<u>12,943</u>
	<u>156,923</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 2016 is as follows :-

Contracted but not provided for	RM'000
	<u>178,078</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 RM131.3 million while profit before tax was recorded at RM26.6 million. The major contributor of the Group's revenue was from Solar, which contributed approximately 67.78% towards the current quarter. As compared to corresponding quarter of 31 March 2015, the revenue has increased by RM72.3 million and the Group's profit before tax has increased by RM23.9 million as a result of higher revenue and forex exchange gain.

Performance of the respective operating business segments for the current quarter ended 31 March 2016 as compared to the previous corresponding quarter is analysed as follows:-

- 1) Sheeting - The increase in profit before tax by RM1.2 million to RM4.5 million was mainly due to higher sales volume and lower of finance costs.
- 2) PP Non Woven - The increase in profit before tax by RM37,000 to RM372,000 was mainly due to unrealised forex gain and lower of finance costs.
- 3) PVC Leather - The increase in profit before tax by RM106,000 to RM252,000 was mainly due to higher sales volume and unrealised forex gain.
- 4) Others - The increase in profit before tax by RM208,000 to RM1,134,000 was mainly due to unrealised forex gain and lower finance costs.
- 5) Solar - The increase in profit before tax by RM22.4 million to RM20.4 million was mainly due to higher sales volume and unrealised forex gain.



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 01.01.16-31.03.16	Preceding Quarter 01.10.15-31.12.15
	RM'000	RM'000
Profit before tax	26,582	16,435
Total comprehensive income for the period	25,048	16,092

The Group's profit before tax for the current quarter is RM26.6 million which has increased by RM10.2 million from profit before tax RM16.4 million as recorded in the preceding quarter. This was mainly due to increase in solar segment's revenue and 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 31.03.16 RM'000	3 months Cumulative 31.03.16 RM'000
Current tax expense		
- current	823	823
Deferred tax expense		
Origination and reversal of temporary differences		
- current	711	711
Total tax expense	<u>1,534</u>	<u>1,534</u>

The Group's effective tax rate for the current period was lower than the statutory tax rate of 24% 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 proposes to undertake a private placement of up to ten percent (10%) of the issued and paid-up share capital of the Company.

On 05 February 2016, the application pursuant to the Proposed Private Placement has been submitted to Bursa Malaysia Securities Berhad.

On 15 February 2016, Bursa Malaysia Securities Berhad had vide its letter dated 15 February 2016, resolved to approve the listing of and quotation for up to 36,000,000 new ordinary shares of RM0.25 each in the Company to be issued pursuant to the Private Placement subject to the following conditions:-

- i. The Company and its adviser must fully comply with the relevant provisions under the Main Market Listing Requirements pertaining to the implementation of the Private Placement;
- ii. The Company and its adviser to inform Bursa Securities upon the completion of the Private Placement; and
- iii. The Company to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Private Placement is completed.

On 25 February 2016, the Company had fixed the issue price for the placement of up to 27,301,600 Placement Shares, representing up to 10% of the issued and paid-up share capital of the Company at RM1.06 per Placement Share.

The issued price of RM1.06 per Placement Share represents a discount of approximately 9.89% to the five (5)-day weighted average market price of the Company Shares up to and including 24 February 2016, being the last market day immediately preceding the Price-Fixing Date, of RM1.1763 per the Company Share.

On 18 April 2016, the Company had fixed the issue price for the placement of 3,627,500 Placement Shares at RM1.00 per Placement Share.

The issued price of RM1.00 per Placement Share represents a discount of approximately 8.97% to the five (5)-day weighted average market price of the Company Shares up to and including 15 April 2016, being the last market day immediately preceding the Price-Fixing Date, of RM1.0985 per the Company Share.



NOTES TO THE INTERIM FINANCIAL REPORT

B8. Group Borrowings

The Group's borrowings as at 31 March 2016 were as follows:-

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term			
Bank overdrafts	16,540	0	16,540
Bankers' acceptance	2,194	0	2,194
Revolving credit	1,373	0	1,373
Term loan	3,196	0	3,196
Hire purchase payable	1,569	0	1,569
	<u>24,872</u>	<u>0</u>	<u>24,872</u>
Long term			
Hire purchase payable	40,823	0	40,823
Term loan	10,937	0	10,937
	<u>51,760</u>	<u>0</u>	<u>51,760</u>
Total borrowings	<u>76,632</u>	<u>0</u>	<u>76,632</u>

Borrowings denominated in foreign currency:

	USD'000	RM'000 Equivalent
Revolving credit	350	1,373
Hire purchase payable	10,809	42,392

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 and Payable Dividend

A single tier final 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.

A single tier interim dividend of 1.0 sen per ordinary share for the financial year ending 31 December 2016 was declared on 18 April 2016 and will be paid on 31 May 2016.

B13. Breakdown of Realised and Unrealised Profits of the Group

	At end of current financial quarter 31.03.2016 RM'000	At end of previous financial year 31.12.2015 RM'000
Total retained earnings of Tek Seng Holdings Berhad and its subsidiaries :		
- Realised	147,940	126,655
- Unrealised	1,474	(2,290)
	<u>149,414</u>	<u>124,365</u>
Less : Consolidation adjustments	(25,939)	(15,964)
Total Group retained earnings as per consolidated accounts	<u>123,475</u>	<u>108,401</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 31.03.16	3 Months Cumulative To Date 31.03.16
Profit for the period attributable to ordinary equity holders of the Company (RM'000)	15,074	15,074
Weighted average number of ordinary shares of RM0.25 each in issue ('000)	281,146	281,146
Basic Earnings Per Share based on weighted average number of ordinary shares of RM0.25 each in issue (sen)	5.36	5.36

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

	Individual Current Quarter 31.03.16 '000	3 Months Cumulative To Date 31.03.16 '000
Number of ordinary shares at beginning of the period	266,836	266,836
Effect of shares issued pursuant to exercise of warrants	7,110	7,110
Effect of shares issued pursuant to private placement	7,200	7,200
Weighted average number of ordinary shares	281,146	281,146

(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 31.03.16	3 Months Cumulative To Date 31.03.16
Profit for the period attributable to ordinary equity holders of the Company (RM'000)	15,074	15,074
Weighted average number of ordinary shares of RM0.25 each in issue ('000)	341,481	341,481
Diluted Earnings Per Share based on weighted average number of ordinary shares of RM0.25 each in issue (sen)	4.41	4.41

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

	Individual Current Quarter 31.03.16 '000	3 Months Cumulative To Date 31.03.16 '000
Weighted average number of ordinary shares as per basic earnings per share	281,146	281,146
Effect of potential exercise of warrants	60,335	60,335
Weighted average number of ordinary shares	341,481	341,481

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 year 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.	1,300

There was no financial impact on the Group arising from the financial assistance provided.

(equivalent to approximately RM5.1 million at exchange rate of RM3.9220)



NOTES TO THE INTERIM FINANCIAL REPORT

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 first quarter ended 31 March 2016 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 presented fairly, 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 : 19 May 2016