



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2017**

	(Unaudited) As At 31.03.17 RM'000	(Audited) As At 31.12.16 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	401,171	409,621
	<u>401,171</u>	<u>409,621</u>
<b>Current assets</b>		
Inventories	81,015	75,176
Trade receivables	38,738	26,764
Other receivables, deposits and prepayments	2,786	27,668
Current tax assets	3	3
Cash and bank balances	3,840	4,810
	<u>126,382</u>	<u>134,421</u>
<b>TOTAL ASSETS</b>	<u>527,553</u>	<u>544,042</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	87,032	87,032
Share premium	24,835	24,835
Retained earnings	126,197	124,619
	<u>238,064</u>	<u>236,486</u>
Non-controlling interests	115,626	121,148
<b>Total equity</b>	<u>353,690</u>	<u>357,634</u>
<b>Non-current liabilities</b>		
Borrowings	48,021	49,823
Deferred tax liabilities	8,854	9,151
	<u>56,875</u>	<u>58,974</u>
<b>Current liabilities</b>		
Borrowings	10,732	8,525
Trade payables	16,907	10,210
Other payables	85,339	106,269
Current tax liabilities	4,010	2,430
	<u>116,988</u>	<u>127,434</u>
<b>Total liabilities</b>	<u>173,863</u>	<u>186,408</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>527,553</u>	<u>544,042</u>
Net Assets per Share (RM)	0.68	0.68
Net Assets (RM'000)	238,064	236,486

(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 2016)



**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE THREE-MONTHS ENDED 31 MARCH 2017**

	Current Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	31.03.17	31.03.16	31.03.17	31.03.16
	RM'000	RM'000	RM'000	RM'000
Revenue	63,144	131,279	63,144	131,279
Cost of sales	(64,385)	(107,423)	(64,385)	(107,423)
<b>Gross (loss) / profit</b>	<u>(1,241)</u>	<u>23,856</u>	<u>(1,241)</u>	<u>23,856</u>
Other operating income	4,958	8,847	4,958	8,847
Operating expenses	(5,316)	(5,736)	(5,316)	(5,736)
Finance costs	(162)	(385)	(162)	(385)
<b>(Loss) / Profit before tax</b>	<u>(1,761)</u>	<u>26,582</u>	<u>(1,761)</u>	<u>26,582</u>
Income tax expense	(2,183)	(1,534)	(2,183)	(1,534)
<b>(Loss) / Profit for the period</b>	<u>(3,944)</u>	<u>25,048</u>	<u>(3,944)</u>	<u>25,048</u>
<b>Other comprehensive income, net of tax</b>	0	0	0	0
<b>Total comprehensive (loss) / income for the period</b>	<u><u>(3,944)</u></u>	<u><u>25,048</u></u>	<u><u>(3,944)</u></u>	<u><u>25,048</u></u>
<b>(Loss) / Profit for the period attributable to:</b>				
- Equity holders of the Company	1,578	15,074	1,578	15,074
- Non-controlling interests	<u>(5,522)</u>	<u>9,974</u>	<u>(5,522)</u>	<u>9,974</u>
<b>Total comprehensive (loss) / income for the period attributable to:</b>				
- Equity holders of the Company	1,578	15,074	1,578	15,074
- Non-controlling interests	<u>(5,522)</u>	<u>9,974</u>	<u>(5,522)</u>	<u>9,974</u>
<b>Earnings per share attributable to equity holders of the Company:</b>				
Basic earnings per share (sen)	<u>0.45</u>	<u>5.36</u>	<u>0.45</u>	<u>5.36</u>
Diluted earnings per share (sen)	<u>0.42</u>	<u>4.41</u>	<u>0.42</u>	<u>4.41</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 2016)



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE THREE-MONTHS ENDED 31 MARCH 2017**

	Share Capital RM'000	Non- Distributable Share Premium RM'000	Distributable 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 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
<b>Transactions with owners</b>						
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	<u>77,323</u>	<u>22,114</u>	<u>123,475</u>	<u>222,912</u>	<u>122,908</u>	<u>345,820</u>
At 1 January 2017	87,032	24,835	124,619	236,486	121,148	357,634
Loss for the financial period	0	0	1,578	1,578	(5,522)	(3,944)
Other comprehensive income, net of tax	0	0	0	0	0	0
Total comprehensive loss for the period	0	0	1,578	1,578	(5,522)	(3,944)
At 31 March 2017	<u>87,032</u>	<u>24,835</u>	<u>126,197</u>	<u>238,064</u>	<u>115,626</u>	<u>353,690</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 2016)



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE THREE-MONTHS ENDED 31 MARCH 2017**

	<b>3 months ended</b>	
	<b>31.03.17</b>	<b>31.03.16</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
(Loss) / Profit before tax	(1,761)	26,582
Adjustments for :		
Depreciation	9,070	8,139
Interest expense	162	385
Interest income	(4)	(3)
Unrealised gain on foreign exchange	(1,758)	(6,715)
Gain on disposal of property, plant and equipment	(16)	0
Operating profit before working capital changes	5,693	28,388
Increase in inventories	(5,839)	(24,731)
Decrease in trade and other receivables	12,586	31,603
Decrease in trade and other payables	(13,880)	(12,517)
Cash (used in) / generated from operations	(1,440)	22,743
Interest paid	(162)	(385)
Interest received	4	3
Tax paid	(900)	(678)
<b>Net cash (used in) / from operating activities</b>	<b>(2,498)</b>	<b>21,683</b>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment	16	0
Purchase of property, plant and equipment	(620)	(10,148)
<b>Net cash used in investing activities</b>	<b>(604)</b>	<b>(10,148)</b>
<b>Cash flows from financing activities</b>		
Proceeds from short term bank borrowings	3,212	1,373
Repayments of short term bank borrowings	0	(27,065)
Repayments of term loans	(942)	(942)
Proceeds from issuance of shares pursuant to exercise of warrants	0	3,788
Proceeds from issuance of shares pursuant to private placement	0	28,940
<b>Net cash from financing activities</b>	<b>2,270</b>	<b>6,094</b>
<b>Net changes in cash and cash equivalents</b>	<b>(832)</b>	<b>17,629</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(138)</b>	<b>(1,996)</b>
<b>Cash and cash equivalents at beginning of the financial period</b>	<b>4,810</b>	<b>415</b>
<b>Cash and cash equivalents at end of the financial period</b>	<b>3,840</b>	<b>16,048</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>31.03.17</b>	<b>31.03.16</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and bank balances	3,840	32,588
Bank overdrafts	0	(16,540)
	<b>3,840</b>	<b>16,048</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 2016)



## 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 2016.

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 2016.

The Group had adopted the following Amendments to Standards, with a date of initial application of 1 January 2017.

Amendments to MFRS 12 *Annual Improvements to MFRS Standards 2014 - 2016 Cycle*  
Amendments to MFRS 107 *Disclosure Initiative*  
Amendments to MFRS 112 *Recognition of Deferred Tax Assets for Unrealised Losses*

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:

Amendments to MFRS 1 *Annual Improvements to MFRS Standards 2014 - 2016 Cycle*  
MFRS 9 *Financial Instruments [IFRS 9 as issued by IASB in July 2014]*  
MFRS 15 *Revenue from Contracts with Customers*  
Clarifications to MFRS 15  
Amendments to MFRS 2 *Classification and Measurement of Share-based Payment Transactions*  
Amendments to MFRS 128 *Annual Improvements to MFRS Standards 2014 - 2016 Cycle*  
Amendments to MFRS 140 *Transfers of Investment Property*  
IC Interpretation 22 *Foreign Currency Transactions and Advance Consideration*  
Amendments to MFRS 4 *Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts*  
MFRS 16 *Leases*  
Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

#### A2. Auditors' Report

The auditors' report on the financial statements for the financial year ended 31 December 2016 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.

#### A7. Dividend paid

There was no dividend paid during the current quarter.

#### A8. Other Operating Income

	Current Quarter 31.03.2017 RM'000	3 months Cumulative 31.03.2017 RM'000
Interest income	4	4
Gain on disposal of property, plant and equipment	16	16
Income from sell of solar energy	1,643	1,643
Foreign exchange gain	1,572	1,572
Compensation received from a customer	1,698	1,698
Other income	25	25
Total other operating income	<u>4,958</u>	<u>4,958</u>



NOTES TO THE INTERIM FINANCIAL REPORT

A9. Operating Expenses

	Current Quarter 31.03.2017 RM'000	3 months Cumulative 31.03.2017 RM'000
Advertisement	1	1
Depreciation	211	211
Rental	15	15
Salaries, allowances and bonus	2,443	2,443
Transportation	1,511	1,511
Water and electricity	19	19
General repairs and maintenance	135	135
Others	981	981
Total operating expenses	5,316	5,316

A10. Finance costs

	Current Quarter 31.03.2017 RM'000	3 months Cumulative 31.03.2017 RM'000
Interest on term loan	155	155
Interest on revolving credit	4	4
Others	3	3
Total finance costs	162	162

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
<b>1 January 2017 to 31 March 2017</b>						
<b>Revenue</b>						
External Revenue	34,283	2,555	1,471	14,160	15,714	68,183
Inter segment elimination	(4,698)	(52)	0	(289)	0	(5,039)
	29,585	2,503	1,471	13,871	15,714	63,144
<b>Results</b>						
Segment results	6,196	524	308	2,905	(16,490)	(6,557)
Other operating income	0	0	0	0	4,958	4,958
Finance costs	(101)	(9)	(5)	(47)	0	(162)
Profit / (Loss) before tax	6,095	515	303	2,858	(11,532)	(1,761)
Income tax expense	(1,362)	(115)	(68)	(638)	0	(2,183)
Profit / (Loss) for the period	4,733	400	235	2,220	(11,532)	(3,944)

	<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
<b>1 January 2016 to 31 March 2016</b>						
<b>Revenue</b>						
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)
	30,369	2,527	1,708	7,701	88,974	131,279
<b>Results</b>						
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	4,474	372	252	1,134	20,350	26,582
Income tax expense	(1,080)	(90)	(61)	(273)	(30)	(1,534)
Profit for the period	3,394	282	191	861	20,320	25,048

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 2016.



NOTES TO THE INTERIM FINANCIAL REPORT

**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**

	<b>RM'000</b>
Secured corporate guarantees given to licensed banks for facilities granted to subsidiaries	124,365
Unsecured corporate guarantees given to suppliers of subsidiaries	6,197
	<u>130,562</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 2017 is as follows :-

	<b>RM'000</b>
Contracted but not provided for	<u>4,045</u>

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

**B1. Review of Performance**

**a) Current Quarter vs. Previous Year Corresponding Quarter**

For the current quarter, the Group recorded a revenue of RM63.1 million while loss before tax was recorded at RM1.8 million. The major contributor of the Group's revenue was from PVC sheeting segment, which contributed approximately 46.85% towards the current quarter. As compared to corresponding quarter of 31 March 2016, the revenue has decreased by RM68.1 million and the Group's profit before tax has decreased by RM28.3 million as a result of lower revenue.

Performance of the respective operating business segments for the current quarter ended 31 March 2017 as compared to the previous corresponding quarter is analysed as follows:-

- 1) Sheeting - The increase in profit before tax by RM1.6 million to RM6.1 million was mainly due to selling price increase and lower operating costs.
- 2) PP Non Woven - The increase in profit before tax by RM143,000 to RM515,000 was mainly due to lower operating costs.
- 3) PVC Leather - The increase in profit before tax by RM51,000 to RM303,000 was mainly due to lower operating costs.
- 4) Others - The increase in profit before tax by RM1.7 million to RM2.8 million was mainly due to higher sales volume and lower operating costs.
- 5) Solar - The decrease in profit before tax by RM31.9 million to loss before tax of RM11.5 million was mainly due to lower sales volume.

**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 01.01.17-31.03.17 RM'000</b>	<b>Preceding Quarter 01.10.16-31.12.16 RM'000</b>
Loss before tax	(1,761)	(13,833)
Total comprehensive loss for the period	(3,944)	(15,738)

The Group's loss before tax for the current quarter is RM1.8 million which has decreased by RM12.1 million from loss before tax of RM13.8 million as recorded in the preceding quarter. This was mainly due to increase in PVC segment's profit to the Group.

**B3. Prospects**

The Board of Directors foresees the performance of the Group for 2017 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. However, the Group will be taking cautious approaches 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 as well as monitoring financial aspect more closely. The Group will also look into exploring new market share globally.

In addition, the Group is looking into a challenging year for solar segments. The demand for solar segment has decreased due to various external uncertainties including different government policy, thus leading to weaker awareness for solar products. The Group is taking initiatives on various options including producing higher efficiencies of solar products and exploring the possibility of downstream business to improve its performance.



NOTES TO THE INTERIM FINANCIAL REPORT

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

Not applicable.

**B5. Income Tax Expense**

	Current Quarter 31.03.17 RM'000	3 months Cumulative 31.03.17 RM'000
<b>Current tax expense</b>		
- current	2,479	2,479
<b>Deferred tax expense</b>		
- Origination and reversal of temporary differences	(296)	(296)
Total tax expense	2,183	2,183

The Group's effective tax rate for the current period was higher than the statutory tax rate of 24% 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**

There were no corporate proposals announced as at the date of issue of this interim financial report.

**B8. Group Borrowings**

The Group's borrowings as at 31 March 2017 were as follows:-

	Secured RM'000	Unsecured RM'000	Total RM'000
<b>Short term</b>			
On-shore foreign currency loan	3,207	0	3,207
Term loan	3,177	0	3,177
Hire purchase payable	4,348	0	4,348
	10,732	0	10,732
<b>Long term</b>			
Hire purchase payable	40,834	0	40,834
Term loan	7,187	0	7,187
	48,021	0	48,021
<b>Total borrowings</b>	58,753	0	58,753

Borrowings denominated in foreign currency:

	USD'000	RM'000 Equivalent
On-shore foreign currency loan	725	3,207
Hire purchase payable	10,207	45,182

**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 of the Group**

	At end of current financial quarter 31.03.2017 RM'000	At end of previous financial year 31.12.2016 RM'000
Total retained earnings of Tek Seng Holdings Berhad and its subsidiaries :		
- Realised	151,996	161,214
- Unrealised	(7,096)	(12,369)
	144,900	148,845
Less : Consolidation adjustments	(18,703)	(24,226)
Total Group retained earnings as per consolidated accounts	126,197	124,619





NOTES TO THE INTERIM FINANCIAL REPORT

**B12. 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.

	<b>Individual Current Quarter 31.03.17</b>	<b>3 Months Cumulative To Date 31.03.17</b>
Profit for the period attributable to ordinary equity holders of the Company (RM'000)	1,578	1,578
Weighted average number of ordinary shares of RM0.25 each in issue ('000)	348,130	348,130
<b>Basic Earnings Per Share based on weighted average number of ordinary shares of RM0.25 each in issue (sen)</b>	<b>0.45</b>	<b>0.45</b>

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

	<b>Individual Current Quarter 31.03.17 '000</b>	<b>3 Months Cumulative To Date 31.03.17 '000</b>
Number of ordinary shares at beginning of the period	348,130	348,130
Effect of shares issued pursuant to exercise of warrants	-	-
Weighted average number of ordinary shares	<u>348,130</u>	<u>348,130</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:

	<b>Individual Current Quarter 31.03.17</b>	<b>3 Months Cumulative To Date 31.03.17</b>
Profit for the period attributable to ordinary equity holders of the Company (RM'000)	1,578	1,578
Weighted average number of ordinary shares of RM0.25 each in issue ('000)	374,510	374,510
<b>Diluted Earnings Per Share based on weighted average number of ordinary shares of RM0.25 each in issue (sen)</b>	<b>0.42</b>	<b>0.42</b>

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

	<b>Individual Current Quarter 31.03.17 '000</b>	<b>3 Months Cumulative To Date 31.03.17 '000</b>
Weighted average number of ordinary shares as per basic earnings per share	348,130	348,130
Effect of potential exercise of warrants	26,380	26,380
Weighted average number of ordinary shares	<u>374,510</u>	<u>374,510</u>

**B13. 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>	<u>Limit of Amount USD'000</u>
Corporate Guarantee for ordinary course of business of a 50.69% owned subsidiary.	<u>400</u>
There was no financial impact on the Group arising from the financial assistance provided.	(equivalent to approximately RM1.8 million at exchange rate of RM4.4265)



## 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 2017 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 : 26 May 2017**