



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	(Unaudited)	(Audited)
	As At	As At
	30.06.17	31.12.16
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	353,508	409,621
	<u>353,508</u>	<u>409,621</u>
Current assets		
Inventories	53,860	75,176
Trade receivables	47,908	26,764
Other receivables, deposits and prepayments	2,236	27,668
Current tax assets	4	3
Cash and bank balances	10,153	4,810
	<u>114,161</u>	<u>134,421</u>
TOTAL ASSETS	<u>467,669</u>	<u>544,042</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	111,868	87,032
Share premium	0	24,835
Retained earnings	129,268	124,619
	241,136	236,486
Non-controlling interests	113,320	121,148
Total equity	<u>354,456</u>	<u>357,634</u>
Non-current liabilities		
Borrowings	2,398	49,823
Deferred tax liabilities	8,607	9,151
	<u>11,005</u>	<u>58,974</u>
Current liabilities		
Borrowings	4,769	8,525
Trade payables	8,748	10,210
Other payables	83,518	106,269
Current tax liabilities	5,173	2,430
	<u>102,208</u>	<u>127,434</u>
Total liabilities	<u>113,213</u>	<u>186,408</u>
TOTAL EQUITY AND LIABILITIES	<u>467,669</u>	<u>544,042</u>
Net Assets per Share (RM)	0.69	0.68
Net Assets (RM'000)	241,136	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 SIX-MONTHS ENDED 30 JUNE 2017**

	Current Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	30.06.17	30.06.16	30.06.17	30.06.16
	RM'000	RM'000	RM'000	RM'000
Revenue	95,323	159,526	158,467	290,805
Cost of sales	(93,369)	(130,143)	(157,754)	(237,566)
Gross profit	<u>1,954</u>	<u>29,383</u>	<u>713</u>	<u>53,239</u>
Other operating income	6,574	3,466	11,532	12,313
Operating expenses	(6,018)	(6,784)	(11,334)	(12,520)
Finance costs	(176)	(286)	(338)	(671)
Profit before tax	<u>2,334</u>	<u>25,779</u>	<u>573</u>	<u>52,361</u>
Income tax expense	(1,569)	(3,005)	(3,752)	(4,539)
Profit / (Loss) for the period	<u>765</u>	<u>22,774</u>	<u>(3,179)</u>	<u>47,822</u>
Other comprehensive income, net of tax	0	0	0	0
Total comprehensive income / (loss) for the period	<u>765</u>	<u>22,774</u>	<u>(3,179)</u>	<u>47,822</u>
Profit / (Loss) for the period attributable to:				
- Equity holders of the Company	3,071	16,232	4,649	31,306
- Non-controlling interests	<u>(2,306)</u>	<u>6,542</u>	<u>(7,828)</u>	<u>16,516</u>
Total comprehensive income / (loss) for the period attributable to:				
- Equity holders of the Company	3,071	16,232	4,649	31,306
- Non-controlling interests	<u>(2,306)</u>	<u>6,542</u>	<u>(7,828)</u>	<u>16,516</u>
Earnings per share attributable to equity holders of the Company:				
Basic earnings per share (sen)	<u>0.88</u>	<u>4.89</u>	<u>1.34</u>	<u>10.18</u>
Diluted earnings per share (sen)	<u>0.82</u>	<u>4.24</u>	<u>1.22</u>	<u>8.74</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 SIX-MONTHS ENDED 30 JUNE 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	31,306	31,306	16,516	47,822
Other comprehensive income, net of tax	0	0	0	0	0	0
Total comprehensive income for the period	0	0	31,306	31,306	16,516	47,822
Transactions with owners						
Issuance of ordinary shares						
- exercise of warrants	7,176	0	0	7,176	0	7,176
- private placement	7,732	24,835	0	32,567	0	32,567
Dividend	0	0	(8,103)	(8,103)	0	(8,103)
Total transactions with owners	14,908	24,835	(8,103)	31,640	0	31,640
At 30 June 2016	81,617	24,835	131,604	238,056	129,450	367,506
At 1 January 2017	87,032	24,835	124,619	236,486	121,148	357,634
Profit / (Loss) for the financial period	0	0	4,649	4,649	(7,828)	(3,179)
Other comprehensive income, net of tax	0	0	0	0	0	0
Total comprehensive income / (loss) for the period	0	0	4,649	4,649	(7,828)	(3,179)
Transactions with owners						
Issuance of ordinary shares						
- exercise of warrants	1	0	0	1	0	1
Total transactions with owners	1	0	0	1	0	1
Transition to no par value on 31 January 2017*	24,835	(24,835)	0	0	0	0
At 30 June 2017	111,868	0	129,268	241,136	113,320	354,456

*The new Companies Act 2016 ('the Act'), which came into effect on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amounts standing to the credit of the share premium account become part of Company's share capital pursuant to the transitional provisions set out in Section 618(2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use the amount standing to the credit of its share premium account of RM24,834,921 for purposes as set out in Section 618(3).

(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 SIX-MONTHS ENDED 30 JUNE 2017**

	6 months ended	
	30.06.17	30.06.16
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	573	52,361
Adjustments for :		
Depreciation	17,716	16,370
Interest expense	338	671
Interest income	(6)	(30)
Unrealised gain on foreign exchange	(27)	(6,502)
Gain on disposal of property, plant and equipment	(5,206)	0
Operating profit before working capital changes	13,388	62,870
Decrease) / (Increase) in inventories	21,316	(38,188)
Decrease in trade and other receivables	3,574	9,667
(Decrease) / Increase in trade and other payables	(23,827)	43,646
Cash generated from operations	14,451	77,995
Interest paid	(338)	(671)
Interest received	6	30
Tax paid	(1,554)	(1,260)
Net cash from operating activities	12,565	76,094
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	16	0
Purchase of property, plant and equipment	(1,464)	(50,218)
Net cash used in investing activities	(1,448)	(50,218)
Cash flows from financing activities		
Dividends paid	0	(8,103)
Proceeds from short term bank borrowings	9,423	863
Repayments of short term bank borrowings	(5,892)	(29,025)
Repayments of term loans	(8,908)	(1,887)
Proceeds from issuance of shares pursuant to exercise of warrants	1 *	7,176
Proceeds from issuance of shares pursuant to private placement	0	32,567
Repayment of Government fund	0	(1,000)
Net cash (used in) / from financing activities	(5,376)	591
Net changes in cash and cash equivalents	5,741	26,467
Effect of exchange rate changes on cash and cash equivalents	(1,636)	(1,091)
Cash and cash equivalents at beginning of the financial period	4,810	415
Cash and cash equivalents at end of the financial period	8,915	25,791

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

	As at	As at
	30.06.17	30.06.16
	RM'000	RM'000
Cash and bank balances	10,153	28,016
Bank overdrafts	(1,238)	(2,225)
	8,915	25,791

(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)

* exercise of warrant RM125 only



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 was no issuances, cancellations, repurchases, resale and repayments of debt and equity securities, save for the disclosure below:

- Issuance of 500 new ordinary shares 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 RM125.

A7. Dividend paid

There was no dividend paid during the current quarter.

A8. Other Operating Income

	Current Quarter 30.06.2017 RM'000	6 months Cumulative 30.06.2017 RM'000
Interest income	2	6
Gain on disposal of property, plant and equipment	5,190	5,206
Income from sale of solar energy	501	2,144
Foreign exchange (loss) / gain	(437)	1,135
Compensation received from a customer	1,304	3,002
Other income	14	39
Total other operating income	<u>6,574</u>	<u>11,532</u>



NOTES TO THE INTERIM FINANCIAL REPORT

A9. Operating Expenses

	Current Quarter 30.06.2017 RM'000	6 months Cumulative 30.06.2017 RM'000
Advertisement	10	11
Depreciation	220	431
Rental	12	27
Salaries, allowances and bonus	2,282	4,725
Transportation	2,198	3,709
Water and electricity	19	38
General repairs and maintenance	259	394
Others	1,018	1,999
Total operating expenses	<u>6,018</u>	<u>11,334</u>

A10. Finance costs

	Current Quarter 30.06.2017 RM'000	6 months Cumulative 30.06.2017 RM'000
Interest on bankers' acceptance	56	56
Interest on term loan	112	267
Interest on revolving credit	4	8
Others	4	7
Total finance costs	<u>176</u>	<u>338</u>

A11. Segmental Reporting

The Group is principally involved in investment holding and its subsidiaries are principally engaged in manufacturing and trading of Polyvinyl Chloride ('PVC') related products and Polypropylene ('PP') Non-Woven, manufacturing and trading of Solar Cell products.

The Group has arrived at four (4) reportable segments that are organised and managed separately according to the nature of products and services, specific expertise and technologies requirements, which requires different business and marketing strategies.

The reportable segments are summarised as follows:

- (i) PVC Sheeting
Manufacturing and trading of PVC Sheeting, parts for industrial and consumer use.
- (ii) PP Non-Woven
Manufacturing and trading of PP Non-Woven related products.
- (iii) PVC Leather
Trading of PVC Leather related products.
- (iv) Solar
Manufacturing and trading of Solar related products.

Other operating segments that do not meet the quantitative thresholds of an individual reporting segment comprise investment holding and operations related to trading of PVC products and materials.

	<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 April 2017 to 30 June 2017						
Revenue						
External Revenue	41,666	2,722	1,317	11,155	44,461	101,321
Inter segment elimination	(5,509)	(62)	0	(426)	(1)	(5,998)
	<u>36,157</u>	<u>2,660</u>	<u>1,317</u>	<u>10,729</u>	<u>44,460</u>	<u>95,323</u>
Results						
Segment results	8,756	644	319	2,598	(16,381)	(4,064)
Other operating income	82	6	3	24	6,459	6,574
Finance costs	(125)	(9)	(5)	(37)	0	(176)
Profit / (Loss) before tax	8,713	641	317	2,585	(9,922)	2,334
Income tax expense	(1,115)	(82)	(41)	(331)	0	(1,569)
Profit / (Loss) for the period	<u>7,598</u>	<u>559</u>	<u>276</u>	<u>2,254</u>	<u>(9,922)</u>	<u>765</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 April 2016 to 30 June 2016						
Revenue						
External Revenue	48,608	2,792	1,764	13,479	100,635	167,278
Inter segment elimination	(7,124)	(56)	0	(522)	(50)	(7,752)
	41,484	2,736	1,764	12,957	100,585	159,526
Results						
Segment results	8,669	572	368	2,708	10,282	22,599
Other operating income	180	12	8	56	3,210	3,466
Finance costs	(43)	(3)	(2)	(14)	(224)	(286)
Profit before tax	8,806	581	374	2,750	13,268	25,779
Income tax expense	(2,115)	(140)	(90)	(660)	0	(3,005)
Profit for the period	6,691	441	284	2,090	13,268	22,774

	<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 2017 to 30 June 2017						
Revenue						
External Revenue	75,950	5,277	2,788	25,315	60,176	169,506
Inter segment elimination	(10,208)	(115)	0	(715)	(1)	(11,039)
	65,742	5,162	2,788	24,600	60,175	158,467
Results						
Segment results	11,382	894	483	4,259	(27,639)	(10,621)
Other operating income	0	0	0	0	11,532	11,532
Finance costs	(226)	(18)	(9)	(85)	0	(338)
Profit / (Loss) before tax	11,156	876	474	4,174	(16,107)	573
Income tax expense	(2,509)	(197)	(107)	(939)	0	(3,752)
Profit / (Loss) for the period	8,647	679	367	3,235	(16,107)	(3,179)

	<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 30 June 2016						
Revenue						
External Revenue	83,370	5,384	3,475	21,503	189,650	303,382
Inter segment elimination	(11,516)	(121)	(4)	(845)	(91)	(12,577)
	71,854	5,263	3,471	20,658	189,559	290,805
Results						
Segment results	12,983	951	627	3,732	22,426	40,719
Other operating income	522	38	26	150	11,577	12,313
Finance costs	(203)	(15)	(10)	(58)	(385)	(671)
Profit before tax	13,302	974	643	3,824	33,618	52,361
Income tax expense	(3,200)	(234)	(155)	(920)	(30)	(4,539)
Profit for the period	10,102	740	488	2,904	33,588	47,822

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.

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.



NOTES TO THE INTERIM FINANCIAL REPORT

A15. Contingent Liabilities

	RM'000
Secured corporate guarantees given to licensed banks for facilities granted to subsidiaries	123,789
Unsecured corporate guarantees given to suppliers of subsidiaries	6,011
	<u>129,800</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 30 June 2017 is as follows :-

	RM'000
Contracted but not provided for	<u>15</u>

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

B1. Review of Performance

a) Current Year-to date vs. Previous Year-to-date

For the financial period ended 30 June 2017, the Group recorded a revenue of RM158.5 million while profit before tax was recorded at RM0.6 million. When compared to corresponding period of 30 June 2016, the revenue has decreased by RM132.3 million and the Group's profit before tax has decreased by RM51.8 million as a result of lower revenue, other operating income and unrealised forex gain.

Performance of the respective operating business segments for the period ended 30 June 2017 as compared to the previous year corresponding period is analysed as follows:-

- 1) Sheeting - The decrease in profit before tax by RM2.1 million to RM11.2 million was mainly due to lower sales volume and lower realised forex gain .
- 2) PP Non Woven - The decrease in profit before tax by RM98,000 to RM0.9 million was mainly due to lower sales volume and lower realised forex gain.
- 3) PVC Leather - The decrease in profit before tax by RM169,000 to RM0.5 million was mainly due to lower sales volume and lower realised forex gain.
- 4) Others - The increase in profit before tax by RM0.3 million to RM4.2 million was mainly due to higher sales volume.
- 5) Solar - The decrease in profit before tax by RM49.7 million to loss before tax of RM16.1 million was mainly due to lower sales volume.

b) Current Quarter vs. Previous Year Corresponding Quarter

For the current quarter, the Group recorded a revenue of RM95.3 million while profit before tax was recorded at RM2.3 million. The major contributor of the Group's revenue was from Solar segment, which contributed approximately 46.64% in the current quarter. As compared to corresponding quarter of 30 June 2016, the revenue has decreased by RM64.2 million and the Group's profit before tax has decreased by RM23.4 million. This was mainly due to significant lower revenue recorded by the Solar segment.

Performance of the respective operating business segments for the current quarter ended 30 June 2017 as compared to the previous year's corresponding quarter is analysed as follows:-

- 1) Sheeting - The decrease in profit before tax by RM93,000 to RM8.7 million was mainly due to lower sales volume.
- 2) PP Non Woven - The increase in profit before tax by RM60,000 to RM641,000 was mainly due to lower operating costs.
- 3) PVC Leather - The decrease in profit before tax by RM57,000 to RM317,000 was mainly due to lower sales volume.
- 4) Others - The decrease in profit before tax by RM165,000 to RM2.6 million was mainly due to lower sales volume.
- 5) Solar - The decrease in profit before tax by RM23.2 million to loss before tax RM9.9 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:

	Current Quarter 01.04.17-30.06.17 RM'000	Preceding Quarter 01.01.17-31.03.17 RM'000
Revenue	95,323	63,144
Profit / (Loss) before tax	2,334	(1,761)
Total comprehensive income / (loss) for the period	765	(3,944)

The Group recorded higher revenue of RM95.3 million in the current quarter, representing 51.0% increase from RM63.1 million in the preceding quarter due to higher revenue contributed by the PVC and Solar segments.



NOTES TO THE INTERIM FINANCIAL REPORT

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.

As for the solar segment, the board foresees greater challenges in 2017. 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.

B4. Variance of Actual and Forecast Revenue

Not applicable.

B5. Income Tax Expense

	Current Quarter 30.06.17 RM'000	6 months Cumulative 30.06.17 RM'000
Current tax expense		
- current	1,816	4,295
Deferred tax expense		
- Origination and reversal of temporary differences	(247)	(543)
Total tax expense	<u>1,569</u>	<u>3,752</u>

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 30 June 2017 were as follows:-

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term			
Bank overdrafts	1,238	0	1,238
Bankers' acceptance	3,531	0	3,531
	<u>4,769</u>	<u>0</u>	<u>4,769</u>
Long term			
Term loan	2,398	0	2,398
	<u>2,398</u>	<u>0</u>	<u>2,398</u>
Total borrowings	<u>7,167</u>	<u>0</u>	<u>7,167</u>

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).



NOTES TO THE INTERIM FINANCIAL REPORT

B11. Breakdown of Realised and Unrealised Profits of the Group

	At end of current financial quarter 30.06.2017 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	154,245	161,214
- Unrealised	(8,580)	(12,369)
	<u>145,665</u>	<u>148,845</u>
Less : Consolidation adjustments	(16,397)	(24,226)
Total Group retained earnings as per consolidated accounts	<u><u>129,268</u></u>	<u><u>124,619</u></u>

B12. Payable Dividend

A single tier first interim dividend of 1.0 sen per ordinary share for the financial year ending 31 December 2017 has been declared on 24 August 2017 and will be paid on 06 October 2017.

B13. 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 30.06.17	6 Months Cumulative To Date 30.06.17
Profit for the period attributable to ordinary equity holders of the Company (RM'000)	<u>3,071</u>	<u>4,649</u>
Weighted average number of ordinary shares in issue ('000)	<u>348,131</u>	<u>348,131</u>
Basic Earnings Per Share based on weighted average number of ordinary shares in issue (sen)	<u><u>0.88</u></u>	<u><u>1.34</u></u>

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

	Individual Current Quarter 30.06.17 '000	6 Months Cumulative To Date 30.06.17 '000
Number of ordinary shares at beginning of the period	348,130	348,130
Effect of shares issued pursuant to exercise of warrants	1	1
Weighted average number of ordinary shares	<u><u>348,131</u></u>	<u><u>348,131</u></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 30.06.17	6 Months Cumulative To Date 30.06.17
Profit for the period attributable to ordinary equity holders of the Company (RM'000)	<u>3,071</u>	<u>4,649</u>
Weighted average number of ordinary shares in issue ('000)	<u>372,375</u>	<u>381,931</u>
Diluted Earnings Per Share based on weighted average number of ordinary shares in issue (sen)	<u><u>0.82</u></u>	<u><u>1.22</u></u>

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

	Individual Current Quarter 30.06.17 '000	6 Months Cumulative To Date 30.06.17 '000
Weighted average number of ordinary shares as per basic earnings per share	348,131	348,131
Effect of potential exercise of warrants	24,244	33,800
Weighted average number of ordinary shares	<u><u>372,375</u></u>	<u><u>381,931</u></u>



NOTES TO THE INTERIM FINANCIAL REPORT

B14. 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 RM1.7 million at exchange rate of RM4.2940)

B15. 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 second quarter ended 30 June 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 : 24 August 2017