



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2017**

	(Unaudited)	(Audited)
	As At	As At
	30.09.17	31.12.16
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	346,325	409,621
	<u>346,325</u>	<u>409,621</u>
Current assets		
Inventories	51,057	75,176
Trade receivables	42,841	26,764
Other receivables, deposits and prepayments	1,117	27,668
Current tax assets	100	3
Cash and bank balances	19,706	4,810
	<u>114,821</u>	<u>134,421</u>
TOTAL ASSETS	<u>461,146</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	124,712	124,619
	<u>236,580</u>	<u>236,486</u>
Non-controlling interests	110,604	121,148
Total equity	<u>347,184</u>	<u>357,634</u>
Non-current liabilities		
Borrowings	0	49,823
Deferred tax liabilities	8,383	9,151
	<u>8,383</u>	<u>58,974</u>
Current liabilities		
Borrowings	1,799	8,525
Trade payables	14,149	10,210
Other payables	86,283	106,269
Current tax liabilities	3,348	2,430
	<u>105,579</u>	<u>127,434</u>
Total liabilities	<u>113,962</u>	<u>186,408</u>
TOTAL EQUITY AND LIABILITIES	<u>461,146</u>	<u>544,042</u>
Net Assets per Share (RM)	0.68	0.68
Net Assets (RM'000)	236,580	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 NINE-MONTHS ENDED 30 SEPTEMBER 2017**

	Current Quarter 3 months ended		Cumulative Quarter 9 months ended	
	30.09.17 RM'000	30.09.16 RM'000	30.09.17 RM'000	30.09.16 RM'000
Revenue	68,958	82,278	227,425	373,083
Cost of sales	(66,713)	(72,082)	(224,467)	(309,648)
Gross profit	<u>2,245</u>	<u>10,196</u>	<u>2,958</u>	<u>63,435</u>
Other operating income	64	8,586	11,596	20,899
Operating expenses	(5,213)	(8,855)	(16,547)	(21,375)
Finance costs	(103)	(196)	(441)	(867)
(Loss) / Profit before tax	<u>(3,007)</u>	<u>9,731</u>	<u>(2,434)</u>	<u>62,092</u>
Income tax expense	(784)	(2,407)	(4,536)	(6,946)
(Loss) / Profit for the period	<u>(3,791)</u>	<u>7,324</u>	<u>(6,970)</u>	<u>55,146</u>
Other comprehensive income, net of tax	0	0	0	0
Total comprehensive (loss) / income for the period	<u><u>(3,791)</u></u>	<u><u>7,324</u></u>	<u><u>(6,970)</u></u>	<u><u>55,146</u></u>
(Loss) / Profit for the period attributable to:				
- Equity holders of the Company	(1,075)	7,434	3,574	38,740
- Non-controlling interests	<u>(2,716)</u>	<u>(110)</u>	<u>(10,544)</u>	<u>16,406</u>
Total comprehensive (loss) / income for the period attributable to:				
- Equity holders of the Company	(1,075)	7,434	3,574	38,740
- Non-controlling interests	<u>(2,716)</u>	<u>(110)</u>	<u>(10,544)</u>	<u>16,406</u>
Earnings per share attributable to equity holders of the Company:				
Basic earnings per share (sen)	<u>(0.31)</u>	<u>2.22</u>	<u>1.03</u>	<u>12.42</u>
Diluted earnings per share (sen)	<u>(0.29)</u>	<u>2.01</u>	<u>0.96</u>	<u>11.17</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 NINE-MONTHS ENDED 30 SEPTEMBER 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	38,740	38,740	16,406	55,146
Other comprehensive income, net of tax	0	0	0	0	0	0
Total comprehensive income for the period	0	0	38,740	38,740	16,406	55,146
Transactions with owners						
Issuance of ordinary shares						
- exercise of warrants	12,222	0	0	12,222	0	12,222
- private placement	7,732	24,835	0	32,567	0	32,567
Dividends	0	0	(11,494)	(11,494)	0	(11,494)
Total transactions with owners	19,954	24,835	(11,494)	33,295	0	33,295
At 30 September 2016	86,663	24,835	135,647	247,145	129,340	376,485
At 1 January 2017	87,032	24,835	124,619	236,486	121,148	357,634
Profit / (Loss) for the financial period	0	0	3,574	3,574	(10,544)	(6,970)
Other comprehensive income, net of tax	0	0	0	0	0	0
Total comprehensive income / (loss) for the period	0	0	3,574	3,574	(10,544)	(6,970)
Transactions with owners						
Issuance of ordinary shares						
- exercise of warrants	1	0	0	1	0	1
Dividend	0	0	(3,481)	(3,481)	0	(3,481)
Total transactions with owners	1	0	(3,481)	(3,480)	0	(3,480)
Transition to no par value on 31 January 2017*	24,835	(24,835)	0	0	0	0
At 30 September 2017	111,868	0	124,712	236,580	110,604	347,184

*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 NINE-MONTHS ENDED 30 SEPTEMBER 2017**

	9 months ended	
	30.09.17	30.09.16
	RM'000	RM'000
Cash flows from operating activities		
(Loss) / Profit before tax	(2,434)	62,092
Adjustments for :		
Depreciation	25,611	25,325
Interest expense	441	867
Interest income	(12)	(61)
Unrealised loss / (gain) on foreign exchange	3,025	(1,268)
Gain on disposal of property, plant and equipment	(5,206)	(76)
Operating profit before working capital changes	21,425	86,879
Decrease / (Increase) in inventories	24,119	(37,201)
Decrease in trade and other receivables	8,880	771
(Decrease) / Increase in trade and other payables	(19,554)	41,919
Cash generated from operations	34,870	92,368
Interest paid	(441)	(867)
Interest received	12	61
Tax paid	(4,483)	(2,287)
Net cash from operating activities	29,958	89,275
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	16	92
Purchase of property, plant and equipment	(2,176)	(205,956)
Net cash used in investing activities	(2,160)	(205,864)
Cash flows from financing activities		
Dividends paid	0	(11,494)
Proceeds from short term bank borrowings	9,423	121,859
Repayments of short term bank borrowings	(11,414)	(26,111)
Repayments of term loans	(11,306)	(2,830)
Proceeds from issuance of shares pursuant to exercise of warrants	1 *	12,222
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	(13,296)	125,213
Net changes in cash and cash equivalents	14,502	8,624
Effect of exchange rate changes on cash and cash equivalents	(1,405)	148
Cash and cash equivalents at beginning of the financial period	4,810	415
Cash and cash equivalents at end of the financial period	17,907	9,187

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

	As at	As at
	30.09.17	30.09.16
	RM'000	RM'000
Cash and bank balances	19,706	11,655
Bank overdrafts	(1,799)	(2,468)
	17,907	9,187

(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*
MFRS 17 *Insurance Contracts*
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

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

A8. Other Operating Income

	Current Quarter 30.09.2017 RM'000	9 months Cumulative 30.09.2017 RM'000
Interest income	6	12
Gain on disposal of property, plant and equipment	0	5,206
Income from sale of solar energy	288	2,432
Foreign exchange (loss) / gain	(866)	269
Compensation received from a customer	513	3,515
Other income	123	162
Total other operating income	<u>64</u>	<u>11,596</u>



NOTES TO THE INTERIM FINANCIAL REPORT

A9. Operating Expenses

	Current Quarter 30.09.2017 RM'000	9 months Cumulative 30.09.2017 RM'000
Advertisement	11	22
Depreciation	227	658
Rental	15	42
Salaries, allowances and bonus	2,237	6,962
Transportation	1,551	5,260
Water and electricity	21	59
General repairs and maintenance	217	611
Others	934	2,933
Total operating expenses	<u>5,213</u>	<u>16,547</u>

A10. Finance costs

	Current Quarter 30.09.2017 RM'000	9 months Cumulative 30.09.2017 RM'000
Interest on bankers' acceptance	0	56
Interest on term loan	97	364
Interest on revolving credit	4	12
Others	2	9
Total finance costs	<u>103</u>	<u>441</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.

	PVC Sheeting RM'000	PP Non- Woven RM'000	PVC Leather RM'000	Others RM'000	Solar RM'000	Group RM'000
1 July 2017 to 30 September 2017						
Revenue						
External Revenue	32,436	1,886	1,400	4,007	33,140	72,869
Inter segment elimination	(3,677)	(67)	0	(167)	0	(3,911)
	<u>28,759</u>	<u>1,819</u>	<u>1,400</u>	<u>3,840</u>	<u>33,140</u>	<u>68,958</u>
Results						
Segment results	2,086	132	102	278	(5,566)	(2,968)
Other operating income	0	0	0	0	64	64
Finance costs	(83)	(5)	(4)	(11)	0	(103)
Profit / (Loss) before tax	<u>2,003</u>	<u>127</u>	<u>98</u>	<u>267</u>	<u>(5,502)</u>	<u>(3,007)</u>
Income tax expense	(629)	(40)	(31)	(84)	0	(784)
Profit / (Loss) for the period	<u>1,374</u>	<u>87</u>	<u>67</u>	<u>183</u>	<u>(5,502)</u>	<u>(3,791)</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 July 2016 to 30 September 2016						
Revenue						
External Revenue	38,534	1,809	1,437	5,439	39,507	86,726
Inter segment elimination	(4,057)	(36)	0	0	(355)	(4,448)
	<u>34,477</u>	<u>1,773</u>	<u>1,437</u>	<u>5,439</u>	<u>39,152</u>	<u>82,278</u>
Results						
Segment results	4,065	209	169	641	(3,743)	1,341
Other operating income	3,843	198	160	606	3,779	8,586
Finance costs	(157)	(8)	(6)	(25)	0	(196)
Profit before tax	<u>7,751</u>	<u>399</u>	<u>323</u>	<u>1,222</u>	<u>36</u>	<u>9,731</u>
Income tax expense	(1,914)	(98)	(80)	(302)	(13)	(2,407)
Profit for the period	<u>5,837</u>	<u>301</u>	<u>243</u>	<u>920</u>	<u>23</u>	<u>7,324</u>

	<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 September 2017						
Revenue						
External Revenue	108,386	7,164	4,188	29,322	93,315	242,375
Inter segment elimination	(13,886)	(182)	0	(882)	0	(14,950)
	<u>94,500</u>	<u>6,982</u>	<u>4,188</u>	<u>28,440</u>	<u>93,315</u>	<u>227,425</u>
Results						
Segment results	13,894	1,026	616	4,181	(33,306)	(13,589)
Other operating income	0	0	0	0	11,596	11,596
Finance costs	(311)	(23)	(14)	(93)	0	(441)
Profit / (Loss) before tax	<u>13,583</u>	<u>1,003</u>	<u>602</u>	<u>4,088</u>	<u>(21,710)</u>	<u>(2,434)</u>
Income tax expense	(3,196)	(236)	(142)	(962)	0	(4,536)
Profit / (Loss) for the period	<u>10,387</u>	<u>767</u>	<u>460</u>	<u>3,126</u>	<u>(21,710)</u>	<u>(6,970)</u>
Assets	82,652	6,107	3,663	24,874	343,850	461,146
Liabilities	15,490	1,144	687	4,662	91,979	113,962

	<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 September 2016						
Revenue						
External Revenue	121,904	7,194	4,911	26,942	228,802	389,753
Inter segment elimination	(15,573)	(158)	(4)	(845)	(90)	(16,670)
	<u>106,331</u>	<u>7,036</u>	<u>4,907</u>	<u>26,097</u>	<u>228,712</u>	<u>373,083</u>
Results						
Segment results	17,217	1,139	794	4,226	18,684	42,060
Other operating income	4,083	270	189	1,002	15,355	20,899
Finance costs	(205)	(14)	(9)	(50)	(589)	(867)
Profit before tax	<u>21,095</u>	<u>1,395</u>	<u>974</u>	<u>5,178</u>	<u>33,450</u>	<u>62,092</u>
Income tax expense	(5,084)	(336)	(235)	(1,248)	(43)	(6,946)
Profit for the period	<u>16,011</u>	<u>1,059</u>	<u>739</u>	<u>3,930</u>	<u>33,407</u>	<u>55,146</u>
Assets	88,898	5,883	4,103	21,818	564,778	685,480
Liabilities	28,753	1,903	1,327	7,057	269,955	308,995

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

Secured corporate guarantees given to licensed banks for facilities granted to subsidiaries
Unsecured corporate guarantees given to suppliers of subsidiaries

	RM'000
	93,143
	5,804
	<u>98,947</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 September 2017 is as follows :-

Contracted but not provided for

	RM'000
	<u>0</u>

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

B1. Review of Performance

Table 1 : Financial Review for current quarter and financial year to date

	Current Quarter 3 months ended		Changes + / - RM'000 %		Cumulative Quarter 9 months ended		Changes + / - RM'000 %	
	30.09.17 RM'000	30.09.16 RM'000			30.09.17 RM'000	30.09.16 RM'000		
Revenue	68,958	82,278	(13,320)	(16.19)	227,425	373,083	(145,658)	(39.04)
Gross Profit	2,245	10,196	(7,951)	(77.98)	2,958	63,435	(60,477)	(95.34)
(Loss) / Profit before interest and tax	(2,904)	9,927	(12,831)	(129.25)	(1,993)	62,959	(64,952)	(103.17)
(Loss) / Profit before tax	(3,007)	9,731	(12,738)	(130.90)	(2,434)	62,092	(64,526)	(103.92)
(Loss) / Profit for the period	(3,791)	7,324	(11,115)	(151.76)	(6,970)	55,146	(62,116)	(112.64)
(Loss) / Profit attributable to ordinary equity holders of the parent	(1,075)	7,434	(8,509)	(114.46)	3,574	38,740	(35,166)	(90.77)

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

For the financial period ended 30 September 2017, the Group recorded a revenue of RM227.4 million while loss before tax was recorded at RM2.4 million. When compared to corresponding period of 30 September 2016, the revenue has decreased by RM145.6 million and the Group's profit before tax has decreased by RM64.5 million as a result of lower revenue and other operating income.

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

- 1) Sheeting - The decrease in profit before tax by RM7.5 million to RM13.6 million was mainly due to lower sales volume.
- 2) PP Non Woven - The decrease in profit before tax by RM392,000 to RM1 million was mainly due to lower sales volume and other operating income.
- 3) PVC Leather - The decrease in profit before tax by RM372,000 to RM0.6 million was mainly due to lower sales volume.
- 4) Others - The decrease in profit before tax by RM1.1 million to RM4.1 million was mainly due to lower unrealised foreign exchange gain.
- 5) Solar - The decrease in profit before tax by RM55.2 million to loss before tax of RM21.7 million was mainly due to lower sales volume and other operating income.



NOTES TO THE INTERIM FINANCIAL REPORT

B1. Review of Performance (Continued)

b) Current Quarter vs. Previous Year Corresponding Quarter

For the current quarter, the Group recorded a revenue of RM68.9 million while loss before tax was recorded at RM3 million. The major contributor of the Group's revenue was from Solar segment, which contributed approximately 48.06% in the current quarter. As compared to corresponding quarter of 30 September 2016, the revenue has decreased by RM13.3 million and the Group's loss before tax has decreased by RM12.7 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 September 2017 as compared to the previous year's corresponding quarter is analysed as follows:-

- 1) Sheeting - The decrease in profit before tax by RM5.7 million to RM2 million was mainly due to lower sales volume.
- 2) PP Non Woven - The decrease in profit before tax by RM272,000 to RM127,000 was mainly due to lower other operating income.
- 3) PVC Leather - The decrease in profit before tax by RM225,000 to RM98,000 was mainly due to higher operating costs.
- 4) Others - The decrease in profit before tax by RM955,000 to RM267,000 was mainly due to lower sales volume.
- 5) Solar - The decrease in profit before tax by RM5.5 million to loss before tax RM5.5 million was mainly due to lower sales volume and other operating income.

B2. Variation of Results Against Preceding Quarter

Table 2 : Financial Review for current quarter and compared with immediate preceding quarter

	Current Quarter	Preceding Quarter	Changes	
	01.07.17-30.09.17 RM'000	01.04.17-30.06.17 RM'000	RM'000	%
Revenue	68,958	95,323	(26,365)	(27.66)
Gross Profit	2,245	1,954	291	14.89
(Loss) / Profit before interest and tax	(2,904)	2,510	(5,414)	(215.70)
(Loss) / Profit before tax	(3,007)	2,334	(5,341)	(228.83)
Total comprehensive (loss) / income for the period	(3,791)	765	(4,556)	(595.56)
(Loss) / Profit attributable to ordinary equity holders of the parent	(1,075)	3,071	(4,146)	(135.00)

The Group recorded lower revenue of RM68.9 million in the current quarter, representing 27.7% decrease from RM95.3 million in the preceding quarter due to lower revenue contributed by the PVC and Solar segments.

The Group's loss before tax for the current quarter is RM3 million which has decreased by RM5.3 million from profit before tax of RM2.3 million as recorded in the preceding quarter. This was mainly due to decrease in Solar 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.

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 30.09.17 RM'000	9 months Cumulative 30.09.17 RM'000
Current tax expense		
- current	841	5,136
- prior years	167	167
Deferred tax expense		
- Origination and reversal of temporary differences	(224)	(767)
Total tax expense	<u>784</u>	<u>4,536</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.



NOTES TO THE INTERIM FINANCIAL REPORT

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. Trade Receivables

The trade receivables are non-interest bearing and the normal trade credit terms granted by the Group range from 30 to 120 days terms.

a) Ageing analysis of trade receivables of the Group is as follows:

	At end of current financial quarter 30.09.2017 RM'000	At end of previous financial year 31.12.2016 RM'000
Neither past due nor impaired	21,425	18,270
Past due, but not impaired		
1 to 30 days	3,615	5,386
31 to 60 days	1,843	1,857
61 to 90 days	515	423
More than 91 days	15,443	828
	21,416	8,494
	<u>42,841</u>	<u>26,764</u>

b) Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. None of trade receivables of the Group that are neither past due nor impaired have been renegotiated.

c) Trade receivables that are past due but not impaired amounting to RM21.4 million mainly arose from active corporate clients with healthy business relationship, in which the management is of the view that the amounts are recoverable based on past payment history. The trade receivables that are past due but not impaired are unsecured in nature.

B9. Related party disclosures

i) Identity of related party

- The Company has controlling related party relationship with its direct subsidiaries TS Solartech Sdn Bhd.

ii) The transactions detailed elsewhere in the interim financial statements, the Group had the following transactions with related party during the financial period:

	30.09.2017 RM'000	31.12.2016 RM'000
Shareholder of a subsidiary:		
Purchase of goods	5,510	23,729
Sale of goods	47,746	78,047

B10. Group Borrowings

The Group's borrowings were as follows:-

	As at 30.09.2017					
	Long term		Short term		Total borrowings	
	USD'000	RM'000	USD'000	RM'000	USD'000	RM'000
Secured						
Bank overdrafts	0	0	0	1,799	0	1,799
Term loan	0	0	0	0	0	0
Hire purchase payable	0	0	0	0	0	0
	0	0	0	1,799	0	1,799
Unsecured	0	0	0	0	0	0
	0	0	0	0	0	0

	As at 30.09.2016					
	Long term		Short term		Total borrowings	
	USD'000	RM'000	USD'000	RM'000	USD'000	RM'000
Secured						
Bank overdrafts	0	0	0	2,468	0	2,468
Term loan	0	10,937	0	1,308	0	12,245
Hire purchase payable	39,978	165,730	400	1,659	40,378	167,389
	39,978	176,667	400	5,435	40,378	182,102
Unsecured	0	0	0	0	0	0
	0	0	0	0	0	0



NOTES TO THE INTERIM FINANCIAL REPORT

B10. Group Borrowings (Continued)

(i) Hire purchase payable :

- TS Solartech Sdn. Bhd., a subsidiary of the Company disposed of a solar cell production line back to the supplier upon mutual consent to cease the production of this particular production line. With the disposal of this solar cell production line, TS Solartech Sdn. Bhd. has also terminated its Sale and Purchase Agreement (Machinery) with the supplier on mutual agreement. Consequently, there were no outstanding hire purchase payable to the supplier. The disposal resulted in a gain of RM5.2 million which was recognised in 2nd quarter 2017.

(ii) Term loan

- Term loan was fully settled in 3rd quarter of 2017 with the amount paid RM11.3 million. The term loan is denominated in Ringgit Malaysia.

B11. 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).

B12. 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).

B13. Breakdown of Realised and Unrealised Profits of the Group

	At end of current financial quarter 30.09.2017 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	147,810	161,214
- Unrealised	(9,417)	(12,369)
	138,393	148,845
Less : Consolidation adjustments	(13,681)	(24,226)
Total Group retained earnings as per consolidated accounts	<u>124,712</u>	<u>124,619</u>

B14. Earning 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 30.09.17	9 Months Cumulative To Date 30.09.17
Profit for the period attributable to ordinary equity holders of the Company (RM'000)	(1,075)	3,574
Weighted average number of ordinary shares in issue ('000)	348,131	348,131
Basic Earnings Per Share based on weighted average number of ordinary shares in issue (sen)	(0.31)	1.03

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

	Individual Current Quarter 30.09.17 '000	9 Months Cumulative To Date 30.09.17 '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>348,131</u>	<u>348,131</u>



NOTES TO THE INTERIM FINANCIAL REPORT

B14. Earning 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 30.09.17	9 Months Cumulative To Date 30.09.17
Profit for the period attributable to ordinary equity holders of the Company (RM'000)	(1,075)	3,574
Weighted average number of ordinary shares in issue ('000)	370,678	372,656
Diluted Earnings Per Share based on weighted average number of ordinary shares in issue (sen)	(0.29)	0.96

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

	Individual Current Quarter 30.09.17 '000	9 Months Cumulative To Date 30.09.17 '000
Weighted average number of ordinary shares as per basic earnings per share	348,131	348,131
Effect of potential exercise of warrants	22,547	24,525
Weighted average number of ordinary shares	370,678	372,656

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.	<u>400</u>
There was no financial impact on the Group arising from the financial assistance provided.	(equivalent to approximately RM1.6 million at exchange rate of RM4.1455)

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 third quarter ended 30 September 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 : 17 November 2017